

BUSINESS MAN'S
HANDBOOK







THE BUSINESS MAN'S HANDBOOK

A CONVENIENT BOOK OF REFERENCE

FOR

BUSINESS MEN

BY

INTERNATIONAL CORRESPONDENCE SCHOOLS

SCRANTON, PA.

2d Edition, 175th Thousand, 14th Impression

SCRANTON, PA.

INTERNATIONAL TEXTBOOK CO.

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PRINTED IN THE UNITED STATES

P-2-7

PREFACE

In preparing this volume we have endeavored to produce a reference handbook that would be particularly adapted to the wants of business men, clerks, and office workers. The reception accorded the first edition, of which a total of 35,000 copies were printed, was very flattering and showed that we were meeting a large and increasing demand.

In preparing the present (second) edition the work has been thoroughly revised, rearranged, and to a large extent rewritten. Matter considered of comparatively little value has been eliminated, new subjects have been added, and other subjects have been treated more fully. Prominent among the subjects treated are Card Systems, Business Forms, Bookkeeping, Business Law, Money and the Money Market, and Publicity. The last named subject comprises matters of interest to the merchant and business man on Advertising, Signs and Show-Cards, and Window Dressing.

The subject of Business Law would seem to be peculiarly appropriate to a compendium of general information prepared for persons engaged in business pursuits. This feature has been made very prominent and its treatment is very complete. It is believed that in this edition a much better work has been produced, and that it will be even better received by the public, than was the first edition.

INTERNATIONAL CORRESPONDENCE SCHOOLS,

Scranton, Pa.

February 1, 1904.

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THE BUSINESS MAN'S HANDBOOK

ARITHMETIC MEASURES OF EXTENSION

Measures of extension are used in measuring lengths (distances), surfaces (areas), and solids (volumes), and are divided, accordingly, into linear measure, square measure, and cubic measure.

Linear measure has one dimension (length), square measure has two dimensions (length and breadth), and cubic measure has three dimensions (length, breadth, and thickness).

LINEAR MEASURE

12 inches (in.)	= 1 foot	ft.
3 feet	= 1 yard	yd.
5½ yards	= 1 rod	rd.
320 rods	= 1 mile	mi.

in.	ft.	yd.	rd.	mi.
12 =	1			
36 =	3 =	1		
198 =	16½ =	5½ =	1	
63,360 =	5,280 =	1,760 =	320 =	1

SQUARE MEASURE

144 square inches (sq. in.)	= 1 square foot	sq. ft.
9 square feet	= 1 square yard	sq. yd.
30 $\frac{1}{4}$ square yards	= 1 square rod	sq. rd.
160 square rods	= 1 acre	A.
640 acres	= 1 square mile	sq. mi.

sq. in.	sq. ft.	sq. yd.	sq. rd.	A.	sq. mi.
144 =	1				
1,296 =	9 =	1			
39,204 =	272 $\frac{1}{4}$ =	30 $\frac{1}{4}$ =	1		
6,272,640 =	43,560 =	4,840 =	160 =	1	
4,014,489,600 =	27,878,400 =	3,097,600 =	102,400 =	640 =	1

SURVEYORS' SQUARE MEASURE

625 square links (sq. li.)	= 1 square rod	sq. rd.
16 square rods	= 1 square chain	sq. ch.
10 square chains	= 1 acre	A.
640 acres	= 1 square mile	sq. mi.
36 square miles (6 miles square)	= 1 township	Tp.

A square measuring 208.71 ft. on each side contains 1 A.

The following are the comparative sizes, in square yards, of acres in different countries:

	sq. yd.		sq. yd.
England and America	4,840	Amsterdam	9,722
Scotland	6,150	Dantzic	6,650
Ireland	7,840	France	11,960
Hamburg	11,545	Prussia	3,053

CUBIC MEASURE

1,728 cubic inches (cu. in.)	= 1 cubic foot	cu. ft.
27 cubic feet	= 1 cubic yard	cu. yd.
128 cubic feet	= 1 cord of wood.	

cu. in.	cu. ft.	cu. yd.
1,728 =	1	
46,656 =	27 =	1

MEASURES OF WEIGHT

AVOIRDUPOIS WEIGHT

16 ounces (oz.)	= 1 pound	lb.
100 pounds	= 1 hundredweight . .	cwt.
20 hundredweight } . . .	= 1 ton	T.
2,000 pounds		
oz.	lb.	cwt. T.
16 =	1	
1,600 =	100 =	1
32,000 =	2,000 =	20 = 1

LONG-TON TABLE

16 ounces (oz.)	= 1 pound	lb.
28 pounds	= 1 quarter	qr.
4 quarters	= 1 hundredweight .	cwt.
20 hundredweight } . . .	= 1 ton	T.
2,240 pounds		
oz.	lb.	qr. cwt. T.
16 =	1	
448 =	28 =	1
1,792 =	112 =	4 = 1
35,840 =	2,240 =	80 = 20 = 1

TROY WEIGHT

24 grains (gr.)	= 1 pennyweight	pwt.
20 pennyweights	= 1 ounce	oz.
12 ounces	= 1 pound	lb.
gr.	pwt.	oz. lb.
24 =	1	
480 =	20 =	1
5,760 =	240 =	12 = 1

APOTHECARIES' WEIGHT

20 grains (gr.)	= 1 scruple	sc. or ℥
3 scruples	= 1 dram	dr. or ℥
8 drams	= 1 ounce	oz. or ℥
12 ounces	= 1 pound	lb. or ℔

gr.	℥	℥	℥	lb
20 =	1			
60 =	3 =	1		
480 =	24 =	8 =	1	
5,760 =	288 =	96 =	12 =	1

MEASURES OF CAPACITY

LIQUID MEASURE

4 gills (gi.)	...	= 1 pint	...	pt.
2 pints	...	= 1 quart	...	qt.
4 quarts	...	= 1 gallon	...	gal.
31½ gallons	...	= 1 barrel	...	bbl.
2 barrels	}	= 1 hogshead	...	hhd.
63 gallons				

gi.	pt.	qt.	gal.	bbl.	hhd.
4 =	1				
8 =	2 =	1			
32 =	8 =	4 =	1		
1,008 =	252 =	126 =	31½ =	1	
2,016 =	504 =	252 =	63 =	2 =	1

APOTHECARIES' FLUID MEASURE

60 minims, or drops (m)	= 1 fluid dram	...	f℥
8 fluid drams	= 1 fluid ounce	...	f℥
16 fluid ounces	= 1 pint	...	O.
8 pints	= 1 gallon	...	Cong.

DRY MEASURE

2 pints (pt.)	...	= 1 quart	...	qt.
8 quarts	...	= 1 peck	...	pk.
4 pecks	...	= 1 bushel	...	bu.

pt.	qt.	pk.	bu.
2 =	1		
16 =	8 =	1	
64 =	32 =	4 =	1

AVOIRDUPOIS POUNDS IN A BUSHEL

Commodities	Lb.	Commodities	Lb.
Barley	48	Malt	34
Beans	60	Oats	32
Buckwheat	48	Potatoes	60
Clover seed	60	Rye	56
Corn (shelled)	56	Timothy seed	45
Corn (in the ear)	70	Wheat	60

The following units are also in commercial use:

1 quintal of fish	= 100 lb.
1 barrel of flour	= 196 lb.
1 barrel of pork or beef	= 200 lb.
1 gallon of petroleum	= 6½ lb.
1 keg of nails	= 100 lb.

MEASURES OF TIME

60 seconds (sec.)	= 1 minute	min.
60 minutes	= 1 hour	hr.
24 hours	= 1 day	da.
7 days	= 1 week	wk.
4 weeks	= 1 month	mo.
12 months	= 1 year	yr.
100 years	= 1 century	C.

sec.	min.	hr.	da.	wk.	yr.
60 =	1				
3,600 =	60 =	1			
86,400 =	1,440 =	24 =	1		
604,800 =	10,080 =	168 =	7 =	1	
31,556,936 =	525,948 =	8,765 =	365 =	52 =	1

The following is a list of the months, in regular order, with the number of days each contains:

	<i>Days</i>		<i>Days</i>
1. January (Jan.)	31	7. July	31
2. February (Feb.)	28	8. August (Aug.)	31
3. March (Mar.)	31	9. September (Sept.) . . .	30
4. April (Apr.)	30	10. October (Oct.)	31
5. May	31	11. November (Nov.) . . .	30
6. June	30	12. December (Dec.) . . .	31

In leap years, 1 da. is added to February, giving it 29 da. The following lines will assist in remembering the number of days in each month:

"Thirty days hath September,
 April, June, and November;
 All the rest have thirty-one,
 Save February, which alone
 Hath but twenty-eight, in fine,
 But leap year gives it twenty-nine."

In many business transactions, the year is regarded as 360 da., or 12 mo. of 30 da. each.

MEASURES OF ANGLES OR ARCS

CIRCULAR MEASURE

60 seconds (")	= 1 minute	'
60 minutes	= 1 degree	°
360 degrees	= 1 circle	⊙

$$60'' = 1'$$

$$3,600'' = 60' = 1^\circ$$

$$1,296,000'' = 21,600' = 360^\circ = 1\odot$$

A *quadrant* is one-fourth of a circle, or 90° ; a *sextant* is one-sixth of a circle, or 60° . A right angle ($\square$) contains 90° . The unit of measurement is the degree, or $\frac{1}{360}$ of the circumference of a circle.

Circular, or angular, measure is used principally by surveyors, navigators, astronomers, and by technical men generally, for measuring angles and arcs of circles.

MEASURES OF MONEY

UNITED STATES MONEY

10 mills (m.)	= 1 cent	ct.
10 cents	= 1 dime	d.
10 dimes	= 1 dollar	\$
10 dollars	= 1 eagle	E.

m.	ct.	d.	\$	E.
10 =	1			
100 =	10 =	1		
1,000 =	100 =	10 =	1	
10,000 =	1,000 =	100 =	10 =	1

The term *legal tender* is applied to money that may be legally offered in payment of debts. All gold coins are legal tender for their face value to any amount, provided their weight has not diminished more than $\frac{1}{100}$. Silver dollars are also legal tender to any amount; but silver coins of lower denomination than 1 dollar are legal tender only for sums not exceeding \$10. Nickel and copper coins are legal tender for sums not exceeding 25 ct.

The legal coins of the United States are:

GOLD COINS

Weight in Grains

1-dollar piece	= 25.8
2½-dollar piece, or quarter eagle	= 64.5
3-dollar piece	= 77.4
5-dollar piece, or half eagle	= 129.0
10-dollar piece, or eagle	= 258.0
20-dollar piece, or double eagle	= 516.0

SILVER COINS

Weight

Standard dollar	= 412.5 grains
Half dollar, or 50-cent piece	= 192.9 grains, or 12½ grams
Quarter dollar, or 25-cent piece	= 96.45 grains, or 6½ grams
Dime, or 10-cent piece	= 38.58 grains, or 2½ grams

COPPER AND NICKEL COINS

5-cent piece	= 77.16 grains, or 5 grams
3-cent piece	= 30.00 grains
1-cent piece	= 48.00 grains

ENGLISH MONEY

4 farthings (far.)	= 1 penny
12 pence	= 1 shilling
20 shillings	= 1 pound, or sovereign

far.	d.	s.	£
4	=	1	
48	=	12	= 1
960	=	240	= 20 = 1

The unit of English money is the *pound sterling*, the value of which in United States money is \$4.8665. The fineness of English silver is .925; of the gold coins, .916 $\frac{2}{3}$. What is called sterling silver when applied to solid silver articles has the same fineness. Hence the name sterling silver.

The other coins of Great Britain are the *florin* (= 2 shillings), the *crown* (= 5 shillings), the *half crown* (= 2 $\frac{1}{2}$ shillings), and the *guinea* (= 21 shillings). The largest silver coin is the crown, and the smallest, the threepence ($\frac{1}{4}$ shilling). The shilling is worth 25 ct. (24.3 + ct.) in United States money. The guinea is no longer coined. The abbreviation £ is written before the number, while s. and d. follow. Thus, £25 4s. 6d. = 25 pounds 4 shillings 6 pence.

To reduce pounds, shillings, and pence to dollars and cents:

Rule.—Reduce the pounds to shillings, add the shillings, any, and multiply the sum by 24 $\frac{1}{2}$; if any pence are given, increase this product by twice as many cents as there are pence.

EXAMPLE.—Reduce £4 7s. 11d. to dollars and cents.

SOLUTION.— $(4 \times 20 + 7) \times .24\frac{1}{2} + 2 \times 11 = \21.39 .

To reduce pounds to dollars, and vice versa:

Rule.—Exchange being at \$4.8665: Multiply the number pounds by 73, and divide the quotient by 15; the result will

the equivalent in dollars and cents. Or, multiplying the dollars by 15 and dividing the product by 73 will give its equivalent in pounds and decimals of a pound.

EXAMPLE 1.—Reduce £6 to dollars and cents.

SOLUTION.— $6 \times 73 \div 15 = \$29.20$.

EXAMPLE 2.—Reduce \$17 to pounds.

SOLUTION.— $17 \times 15 \div 73 = £3.493$.

The monetary units of leading foreign nations and their equivalents in United States money are as follows. These rates are proclaimed each year by the Secretary of the Treasury.

Country	Monetary Unit	Value in U. S. Gold
Canada	Dollar = 100 cents . .	\$1.00
Great Britain	Pound = 20 shillings .	4.86 $\frac{2}{3}$
France	Franc = 100 centimes	.193
Belgium		
Switzerland }		
Italy	Lira = 100 centesimi .	.193
Spain	Peseta = 100 centimes	.193
German Empire	Mark = 100 pfennigs .	.238
Denmark }	Crown = 100 öre . . .	.268
Norway		
Sweden		
Russia	Rouble = 100 copecks	.515
Japan	Yen = 100 sen	.498

MISCELLANEOUS TABLES

The following table is used in counting certain articles:

12 of anything	= 1 dozen	doz.
12 dozen	= 1 gross	gr.
12 gross	= 1 great gross	g. gr.
20 of anything	= 1 score	

units doz. gr. g. gr.

12 = 1

144 = 12 = 1

1,728 = 144 = 12 = 1

The following table is used in the paper trade:

24 sheets	= 1 quire	qr.
20 quires	= 1 ream	rm.
2 reams	= 1 bundle	bdl.
5 bundles	= 1 bale	B.

sheets qr. rm. bdl. B.

$$24 = 1$$

$$480 = 20 = 1$$

$$960 = 40 = 2 = 1$$

$$4,800 = 200 = 10 = 5 = 1$$

It is now becoming customary to consider 500 sheets as a ream, and to discard the higher denominations.

BOOKS

The terms folio, quarto, octavo, etc. show the number of leaves into which a sheet of paper is folded.

Folio	= 2 leaves, or 4 pages
Quarto	= 4 leaves, or 8 pages
Octavo	= 8 leaves, or 16 pages
Duodecimo	= 12 leaves, or 24 pages
16mo	= 16 leaves, or 32 pages
18mo	= 18 leaves, or 36 pages
24mo	= 24 leaves, or 48 pages
32mo	= 32 leaves, or 64 pages

METRIC EQUIVALENTS OF POUNDS, FEET, ETC.

The government publishes the equivalents in pounds, etc. of the metric system, but the American shipper wants to know what the pounds, inches, feet, and gallons, to which he is accustomed, are in the metric system. The following is a convenient table showing the metric values of our measures. Some countries demand that the metric system should be used in the consular papers, and in most countries, especially in Latin-America, the consignees ask for the weights, etc. in the metric system. This table will be found valuable for reference by invoice clerks and shipping clerks in the export departments of manufacturing establishments:

<i>Pounds</i>	<i>Kilos</i>	<i>Pounds</i>	<i>Kilos</i>
1	= .4536	60	= 27.2160
2	= .9072	70	= 31.7520
3	= 1.3608	80	= 36.2880
4	= 1.8144	90	= 40.8240
5	= 2.2680	100	= 45.3600
6	= 2.7216	200	= 90.7200
7	= 3.1752	300	= 136.0800
8	= 3.6288	400	= 181.4400
9	= 4.0824	500	= 226.8000
10	= 4.5360	600	= 272.1600
20	= 9.0720	700	= 317.5200
30	= 13.6080	800	= 362.8800
40	= 18.1440	900	= 408.2400
50	= 22.6800	1,000	= 453.6000

1,000 kilos = 1 metric ton (Tonelada metrico).

	<i>Centimeters</i>		<i>Centimeters</i>
1 inch	= 2.54	7 feet	= 213.00
1 foot	= 30.48	8 feet	= 243.84
1 yard	= 91.44	9 feet	= 274.32
2 feet	= 61.00	10 feet	= 304.80
3 feet	= 91.44	11 feet	= 335.28
4 feet	= 122.00	12 feet	= 365.76
5 feet	= 152.00	13 feet	= 396.24
6 feet	= 182.88	14 feet	= 426.72

DIFFERENCE OF SUN TIME BETWEEN NEW YORK CITY AND OTHER PARTS OF THE WORLD

When it is noon at New York it is, at

Buffalo	11:40 A. M.	Boston	12:12 P. M.
Cincinnati	11:18 A. M.	Quebec	12:12 P. M.
Chicago	11:07 A. M.	London	4:55 P. M.
St. Louis	10:55 A. M.	Paris	5:05 P. M.
San Francisco	8:45 A. M.	Rome	5:45 P. M.
New Orleans	10:56 A. M.	Constantinople	6:41 P. M.
Washington	11:48 A. M.	Vienna	6:00 P. M.
Charleston	11:36 A. M.	St. Petersburg	6:57 P. M.
Havana	11:25 A. M.	Pekin	12:40 A. M.

TABLE OF DISTANCES

1 mile	= 5,280 ft.; 1,760 yd.; 320 rd.; 8 fur.
1 furlong	= 40 rd.
1 league	= 3 mi.
1 knot,* or nautical mile	= 6,080 ft., or $1\frac{1}{2}$ mi.
1 nautical league	= 3 nautical mi.
1 fathom	= 6 ft.
1 meter	= 3 ft. $3\frac{1}{8}$ in., nearly
1 hand	= 4 in.
1 palm	= 3 in.
1 span	= 9 in.
1 cable's length	= 240 yd.

MEASURES OF VOLUME

1 cubic foot	= 1,728 cu. in.
1 ale gallon	= 282 cu. in.
1 standard, or wine, gallon	= 231 cu. in.
1 dry gallon	= 268.8 cu. in.
1 bushel	= 2,150.4 cu. in.
1 British bushel	= 2,218.19 cu. in.
1 cord of wood	= 128 cu. ft.
1 perch	= 24.75 cu. ft.
1 ton of round timber	= 40 cu. ft.
1 ton of hewn timber	= 50 cu. ft.

A box $12\frac{1}{8}$ in. long, wide, and deep contains 1 bu.

A box $19\frac{1}{8}$ in. long, wide, and deep contains 1 bbl.

A box $8\frac{1}{8}$ in. long, wide, and deep contains 1 pk.

A box $6\frac{7}{8}$ in. long, wide, and deep contains $\frac{1}{2}$ pk.

A box $4\frac{1}{8}$ in. long, wide, and deep contains 1 qt.

Cylinders having the following dimensions in inches contain the measures stated, very closely; the diameters are given first:

Gill	= $1\frac{3}{4}$ in. $\times$ 3 in.	Gallon	= 7 in. $\times$ 6 in.
Pint	= $3\frac{1}{2}$ in. $\times$ 3 in.	8 gallons	= 14 in. $\times$ 12 in.
Quart	= $3\frac{1}{2}$ in. $\times$ 6 in.	10 gallons	= 14 in. $\times$ 15 in.

*A knot is really a measure of speed and not of distance; when used in this sense, it is equivalent to 1 nautical mile in 1 hour. Thus, a vessel traveling 20 nautical miles per hour has a speed of 20 knots.

BULK OF SUBSTANCES

Name	Pounds Per Cu. Ft.	Cu. Ft. Per Ton
Cast iron	450.50	4.97
Wrought iron	486.60	4.60
Steel	489.80	4.57
Copper	555.00	4.03
Lead	707.70	3.16
Brass	537.70	4.16
Tin	456.00	4.91
Pine, white	29.56	75.60
Pine, yellow	33.81	66.20
Mahogany	66.40	33.80
Marble, common	165.00	13.60
Millstone	130.00	17.20
Oak, live	70.00	32.00
Oak, white	45.20	49.50
Clay	101.30	22.10
Brick	100.00	22.40
Plaster of Paris	105.00	21.30
Sand	94.50	23.70
Granite	165.00	13.50
Earth, loose	78.60	28.50
Water, sea	64.30	34.80
Water, fresh	62.50	35.90
Ice	58.08	38.56
Gold	1,013.00	2.21
Silver	551.00	4.07
Coal, anthracite	53.00	42.30
Coal, bituminous	50.00	44.80
Coal, Cumberland	53.00	42.30
Coal, charcoal	18.20	124.06
Coke, Midlothian	32.70	68.50
Coke, Cumberland	31.57	70.90
Coke, natural Virginia	46.64	48.30

FORMULAS

A *formula* is an abridged statement of a general rule, in which symbols are used.

The symbols used are the letters of the alphabet, which represent numbers, and the signs +, −, ×, ÷, √, etc., which have the same meaning as in arithmetic.

To illustrate, let the following example be taken: If a person exchanges 10 books, worth \$3 per volume, for cloth at \$2 per yd., how many yards will he obtain? A rule for solving this example, and all others like it, may be stated as follows: Multiply the number of books by the price per volume, and divide the product by the price of the cloth. The result will be the number of yards of cloth.

A more concise way of stating the rule is by using letters. Thus,

Let A = number of books;
 B = price per volume;
 C = price of the cloth;
 D = number of yards of cloth.

Then, according to the rule,

$$\frac{\text{number of books} \times \text{price per volume}}{\text{price of cloth}} = \text{number of yards of cloth; or,}$$

$$\frac{A \times B}{C} = D$$

The *square* of a number is that number multiplied by itself.

EXAMPLE.—What is the square of 7?

SOLUTION.— $7 \times 7 = 49$.

The *cube* of a number is the square of the number multiplied by the number.

EXAMPLE.—What is the cube of 7?

SOLUTION.— $7 \times 7 \times 7 = 343$.

MENSURATION

ANGLES

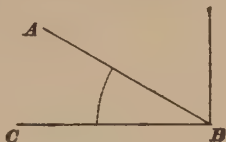


An *angle* is the amount of divergence between two lines that intersect, or meet; the point of meeting is called the *vertex* of the angle.



A *right angle* is one of the angles formed by the intersection of two lines that are perpendicular to each other.

An *acute angle* is less than a right angle.



An *obtuse angle* is greater than a right angle.

TRIANGLES

A *triangle* is a plane figure having three sides.



The *altitude* of any triangle is a line drawn from the vertex of the angle opposite the base perpendicular to the base,



or to the base extended. The vertical dotted line AB is

the altitude of the triangle. Any side of a triangle may be taken as the *base*.



The *perimeter* of a triangle is the sum of the lengths of the three sides.

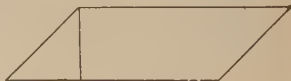
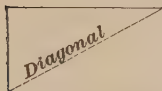
Rule.—To find the area of a triangle, multiply the base by the altitude and divide the product by 2.

EXAMPLE.—Find the area of a triangle, the base of which is 7 in. and the altitude 4 in.

SOLUTION.— $7 \times 4 \div 2 = 14$ in.

QUADRILATERALS

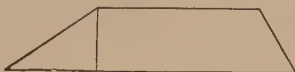
A *quadrilateral* is a figure formed from four straight lines.



The *altitude* is the perpendicular distance between the parallel sides.

The *base* is the side on which it is supposed to stand. Any side may be taken as the base.

Rule.—To find the area of a surface whose opposite sides are parallel, multiply the base by the altitude.



Rule.—To find the area of a surface having only two of its sides parallel, multiply one-half the sum of the parallel sides by the altitude.

Rule.—To find the diagonal of a square, multiply the length of one side by 1.41421.

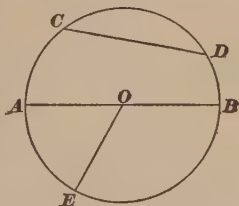
Rule.—To find the diagonal of a cube or the diameter of its circumscribed sphere, multiply the length of a side by 1.7320508.

THE CIRCLE

A *circle* is a figure bounded by a curved line, called the *circumference*. The circumference of a circle is also called its *periphery*.

NOTE.—When a surface is bounded by straight lines, the length of the bounding line is called the *perimeter*; when the bounding line is a curve, the length of the curve is called the *periphery*.

The *diameter* of a circle is a straight line passing through the center and terminated at both ends by the circumference, as *AB*.



The *radius* of a circle is a straight line drawn from the center to the circumference, as *OE*.

If a circle is divided by a diameter, each half is called a *semicircle*, and each half circumference is called a *semicircumference*.

Rule.—To find the circumference of a circle, multiply the diameter by 3.1416.

Rule.—To find the diameter of a circle, divide the circumference by 3.1416.

Rule.—To find the area of a circle, multiply the square of the radius by 3.1416, or multiply the square of the diameter by .7854.

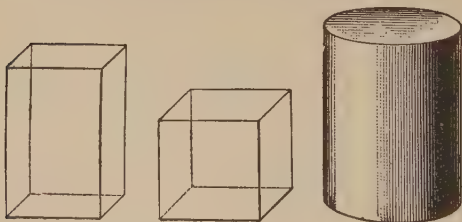
Rule.—To find the area of an ellipse, multiply the two diameters together and that product by .7854.

Rule.—To find the side of the greatest square that can be inscribed in a given circle, take seven-tenths of the diameter and increase it by 1 per cent. of itself.

EXAMPLE.—Find one side of the greatest square that can be inscribed in a circle $9\frac{1}{2}$ in. in diameter.

SOLUTION.— $9.5 \times .7 = 6.65$. $6.65 + .0665 = 6.7165$ in.

THE PRISM AND CYLINDER



The *entire surface* of any solid is the area of the whole outside of the solid.

The *convex surface* of a solid is the same as the entire surface, except that in the case of prisms and cylinders, the areas of the ends are not included.

Rule.—To find the convex surface of a prism or cylinder, multiply the perimeter of the base by the altitude.

EXAMPLE.—A block of marble is 24 in. long and its ends are 9 in. square. What is the area of its convex surface?

SOLUTION.— $9 \times 4 = 36$ in. = perimeter of the base; $36 \times 24 = 864$ sq. in. = convex area.

Rule.—To find the entire area of the outside surface, add the areas of the two ends to the convex area.

Rule.—To find the volume or cubical contents of a prism or cylinder, multiply the area of the base by the altitude.

EXAMPLE.—A packing box is $4\frac{1}{2}$ ft. long, 4 ft. wide, and $3\frac{1}{2}$ ft. deep. What is its volume?

SOLUTION.—Area of base = $4\frac{1}{2} \times 4 = 18$ sq. ft. Altitude = $3\frac{1}{2}$ ft. Volume = $18 \times 3\frac{1}{2} = 58\frac{1}{2}$ cu. ft.

THE PYRAMID AND CONE

A *pyramid* is a solid whose base is a plane figure, and whose sides are triangles uniting at the *vertex*.

A *cone* is a solid whose base is a circle, and whose convex surface tapers uniformly to the *vertex*. If a straight line be drawn on the cone, or pyramid, from the vertex to the edge of the base, this line is called the *slant height*.



The *altitude* of a pyramid or cone is the perpendicular distance from the vertex to the base.

The *entire area* of a pyramid or cone is the area of the whole outside surface. The *convex area* is the entire area less the area of the base.

Rule.—I. To find the convex area of a pyramid or a cone, multiply the perimeter of the base by one-half the slant height.

II. The entire area is equal to the convex area plus the area of the base.

Rule.—To find the volume or cubical contents of a pyramid or cone, multiply the area of the base by one-third the altitude.

EXAMPLE.—Find the volume of a pyramid whose base is square, measuring 15 in. on a side, and whose altitude is $16\frac{1}{2}$ in.

SOLUTION.—Area of base = $15 \times 15 = 225$ sq. in. $225 \times 16\frac{1}{2} \div 3 = 1,237\frac{1}{2}$ cu. in.

THE SPHERE

A sphere is a solid bounded by a uniformly curved surface. The diameter of a sphere is a straight line passing through its center.



The radius of a sphere is a line drawn from the center to the surface.

Rule.—To find the area of the surface of a sphere, square the diameter and multiply the result by 3.1416.

Rule.—To find the volume or cubical contents of a sphere, cube the diameter and multiply the result by .5236.

EXAMPLE.—What is the weight of a lead ball 12 in. in diameter, 1 cu. in. of lead weighing .41 lb.?

SOLUTION.— $12 \times 12 \times 12 \times .5236 = 904.78$ cu. in. $904.78 \times .41 = 370.96$ lb.

Rule.—To find the cubical contents of a spherical shell, inner and outer diameters being given, subtract the cube of the inner diameter from the cube of the outer diameter and multiply the result by .5236.

USEFUL MULTIPLIERS, ETC.

Diameter of circle $\times 3.1416 =$ circumference.

Radius of circle $\times 6.283185 =$ circumference.

Square of radius of circle $\times 3.1416 =$ area.

Square of diameter of circle $\times .7854 =$ area.

Square of circumference $\times .07958 =$ area.

Half the circumference $\times \frac{1}{2}$ diameter $=$ area.

Circumference of circle $\times .159155 =$ radius.

Circumference of circle $\times .31831 =$ diameter.

Diameter of circle $\times .86 =$ side of inscribed equilateral triangle.

Diameter of circle $\times .7071 =$ side of inscribed square.

Circumference of circle $\times .225 =$ side of inscribed square.

Circumference of circle $\times .282 =$ side of equal square.

Diameter of circle $\times .8861 =$ side of equal square.

Base of triangle $\times \frac{1}{2}$ altitude $=$ area.

Both diameters $\times .7854 =$ area of ellipse.

Surface of sphere $\times \frac{1}{6}$ diameter $=$ solidity.

Circumference of sphere $\times$ diameter $=$ surface.

Square of diameter of sphere $\times 3.1416$ = surface.

Square of circumference of sphere $\times .3183$ = surface.

Cube of diameter of sphere $\times .5236$ = solidity.

Cube of radius of sphere $\times 4.1888$ = solidity.

Cube of circumference of sphere $\times .016887$ = solidity.

Radius of sphere $\times 1.1547$ = side of inscribed cube.

Area of one of its sides $\times 6$ = surface of cube.

Area of its base $\times \frac{1}{3}$ altitude = solidity of cone, or pyramid, whether round, square, or triangular.

PLASTERING, PAINTING, AND CALCIMINING

Plastering, painting, and calcimining are usually estimated by the square yard. Allowances for doors, windows, etc. are not regulated by any established usage.

Rule.—*Multiply the perimeter* of the room by the height of the ceiling for the area of the walls. To this add the area of the ceiling, and from the sum make such deductions as are specified. Reduce the results to square yards, and multiply the price per square yard by the number denoting the area in square yards.*

EXAMPLE.—At 22 ct. per sq. yd., what will it cost to plaster a room 65 ft. long, 22 ft. wide, and 15 ft. high, deducting in full for 8 doors 4 ft. 6 in. wide and 11 ft. 6 in. high, 10 windows 3 ft. 6 in. wide and 8 ft. high, and a baseboard $6\frac{1}{2}$ in. high extending around the room?

SOLUTION.—

Perimeter of the room = $65 \times 2 + 22 \times 2 = 174$ ft.

Area of walls = $174 \times 15 = 2610$ sq. ft.

Area of ceiling = $65 \times 22 = 1430$ sq. ft.

Total = 4040 sq. ft.

Area of doors = $4\frac{1}{2} \times 11\frac{1}{2} \times 8 = 414$ sq. ft.

Area of windows = $3\frac{1}{2} \times 8 \times 10 = 280$ sq. ft.

Area of baseboard = (perimeter less width

of 8 doors) $\times \frac{6\frac{1}{2}}{12} = (174 - 4\frac{1}{2} \times 8) \times \frac{6\frac{1}{2}}{12} = 74\frac{3}{4}$ sq. ft.

Total, after deduction = $3271\frac{1}{2}$ sq. ft.

Area in square yards = $3,271\frac{1}{2} \div 9 = 363\frac{1}{6}$ sq. yd.

Cost = $\$.22 \times 363\frac{1}{6} = \79.96

* The perimeter is the sum of the lengths of the sides of the room.

PAPERING

Wall paper, as made in the United States, is 18 in. ($\frac{1}{2}$ yd.) wide, and is sold in single rolls and double rolls; a single roll is 8 yd. long, and a double roll is 16 yd. long. When cutting the paper, paper hangers divide the rolls into strips of sufficient length to reach from the baseboard to a short distance (say 6 in.) above the lower edge of the border. There is always considerable waste in cutting, owing to the matching of the figures forming the design, and the fact that there is a part of a strip left over after cutting up the roll. The parts of strips thus left over are used for the surface above doors, and above and below windows, and other irregular places. Although double rolls are usually counted as 2 single rolls, there is a choice between them in certain cases. Thus, suppose the strips were required to be 9 ft. (3 yd.) long, only 2 strips could be cut from a single roll, or 4 strips from 2 single rolls, while 5 strips could be cut from a double roll. The length of a roll of border is the same as the length of a roll of paper.

On account of the waste in cutting, the varying sizes and shapes of rooms, the number of windows, doors, etc., it is difficult to estimate exactly the number of rolls required. Two rules are given, both of which are used in practice:

Rule I.—*From the perimeter of the room, subtract the widths of openings (windows and doors), and reduce the result to half yards; the number of half yards so obtained will be the total number of strips required. Find the number of strips that can be cut from a roll, and divide the first result by the second; the quotient will be the number of rolls required.*

Rule II.—*Divide the number of half yards of the perimeter of the room by the number of strips that can be cut from a roll; the quotient will be the number of rolls required.*

If computed by the first rule, the number of rolls obtained may be too small, and if computed by the second rule, too large. But, since paper dealers will usually take back all rolls that are intact, the second rule will generally give the best results, as it will prevent the loss of time needed to send to the dealer for extra rolls, in case they are needed.

EXAMPLE.—Find how much paper will be needed to cover

the walls and ceiling of a room 15 ft. $\times$ 20 ft., the border for both walls and ceiling to be 18 in. wide. The baseboard is 8 in. high, and the height of walls from floor to ceiling is 9 ft.

SOLUTION.—Since the widths of the openings are not specified, it will be necessary to use rule II.

Perimeter of room $= 2 \times 15 + 2 \times 20 = 70$ ft. $= 23\frac{1}{2}$ yd. $= 46\frac{1}{2}$ half-yards, or 47 strips. Assuming that the strips extend the height of the baseboard above the bottom edge of the border, the length of a strip is (since 18 in. $= 1\frac{1}{2}$ ft.) $9 - 1\frac{1}{2} = 7\frac{1}{2}$ ft. $= 2\frac{1}{2}$ yd. Hence, the number of strips in a single roll is $8 \div 2\frac{1}{2} = 3$ strips, and the number of rolls required is $47 \div 3 = 15\frac{2}{3}$, or 16 rolls.

In papering the ceiling, the direction in which the strips are to run must be considered. If the strips run lengthwise of the room, the distance between the edges of the border is $20 - 2 \times 1\frac{1}{2} = 17$ ft., and the length of the strips must be at least 18 ft., or 6 yd., long; hence, but 1 strip can be cut from a single roll, and but 2 strips from a double roll. The width of the room in half yards is $(15 \div 3) \times 2 = 10$; hence, allowing for the border, 9 strips, or 9 single rolls, will be required.

If the strips run crosswise of the room, the length of a strip between the edges of the border will be $15 - 2 \times 1\frac{1}{2} = 12$ ft., and the length of a strip must be at least 13 ft., or $4\frac{1}{2}$ yd.; hence, 1 strip may be obtained from a single roll, or $16 \div 4\frac{1}{2} = 3$ strips from a double roll. The length of the room in half yards is $(20 \div 3) \times 2 = 13\frac{1}{3}$; hence, allowing the paper to extend 6 in. beyond the inner edge of the border, at both ends of the room, 12 strips will be required. The number of double rolls required will be $12 \div 3 = 4$ double rolls. Consequently, in this case, there is less waste when the paper runs crosswise than when it runs lengthwise.

Since the perimeter of the room is 70 ft., or $23\frac{1}{2}$ yd., $23\frac{1}{2} \div 8 = 3$ single rolls of border for the walls, and the same amount for the ceiling will be required. Therefore, 16 single rolls of paper are required for the walls, 4 double rolls for the ceiling, 3 single rolls of border for the walls, and 3 single rolls for the ceiling.

CARPETING

Carpet is made in various widths. Ingrain carpet is usually 36 in., or 1 yd., wide; Brussels carpet is 27 in., or $\frac{3}{4}$ yd., wide. Carpet borders are $22\frac{1}{2}$ in., or $\frac{5}{8}$ yd., wide. A linear yard of ingrain carpet contains a square yard, and a linear yard of Brussels carpet contains $\frac{3}{4}$ sq. yd.

Rule.—To find the number of linear yards of carpet required for a room, if no allowance is made for cutting and matching the strips, divide the area of the room in square yards by the area of a linear yard of the carpet.

EXAMPLE.—How many yards of Brussels carpet are required to cover a floor 36 ft. long and 21 ft. wide, making no allowance for cutting and matching?

SOLUTION.—Area of floor = $36 \times 21 = 756$ sq. ft. = $\frac{756}{9} = 84$ sq. yd. A linear yard of Brussels carpet has an area of $\frac{3}{4}$ sq. yd. Hence, the number of linear yards required is $84 \div \frac{3}{4} = 112$ yd.

In practice, there is usually considerable loss due to cutting and matching. To find the number of yards required for a room, when allowance is made for loss, the width of the room is divided by the width of a single strip. The quotient is the number of strips required, supposing them to run lengthwise of the room. The number of strips multiplied by the length in yards of a single strip, making allowance for the loss required for matching, is the number of linear yards required.

EXAMPLE.—How many yards of Brussels carpet are required to cover a room 23 ft. long and 15 ft. wide, making an allowance of 1 ft. on each strip for matching? The carpet is supposed to run lengthwise.

SOLUTION.—Width of room = 15 ft. = 180 in. Width of carpet = 27 in. Number of strips = $180 \div 27 = 6\frac{2}{3}$. Hence, 7 strips must be used, the excess, 9 in., being cut off or turned under. Allowing 1 ft. for matching, length of strip = $23 + 1 = 24$ ft. = 8 yd. Number of linear yards required = $7 \times 8 = 56$ yd.

The number of linear yards of carpet border required for a room is equal to the perimeter of the room in yards.

EXAMPLE.—How many yards of border are required in carpeting a room 42 ft. long and $26\frac{1}{2}$ ft. wide?

SOLUTION.—Perimeter of room = $42 \times 2 + 26\frac{1}{2} \times 2 = 137$ ft.

$$= \frac{137}{3} = 45\frac{2}{3} \text{ yd.}$$

BOARD MEASURE

In measuring lumber, the unit is the *board foot*, which is a board 1 ft. long, 1 ft. wide, and 1 in. (or less) thick. 1 board foot is equal to $\frac{1}{12}$ cu. ft. Hence to find the number of board feet in any piece of lumber:

Rule.—*Multiply the length in feet by the breadth in feet, and this product by the thickness in inches, if it be more than 1 inch; or, otherwise, multiply the length in feet by the breadth in inches, and this product by the thickness in inches, and then divide by 12.*

EXAMPLE.—How many board feet are contained in a joist 8 ft. long, 14 in. wide, and 12 in. thick?

$$\text{SOLUTION.}—\frac{8 \times 14 \times 12}{12} = 252 \text{ board feet.}$$

Lumber is sold by the thousand (M) feet, the term *foot* being always used instead of the longer term, board foot.

Rule.—*To find the cost of lumber, divide the number of feet by 1,000 and multiply by the cost per M.*

EXAMPLE.—What will be the cost of 19 boards 14 ft. long, 15 in. wide, and $1\frac{1}{2}$ in. thick, at \$23.50 per M?

$$\text{SOLUTION.}—\text{Number of thousand feet} = \frac{19 \times 14 \times 15 \times 1\frac{1}{2}}{12 \times 1,000}$$

$$=.498\frac{1}{2}. \text{ Hence, } .498\frac{1}{2} \times \$23.50 = \$11.72.$$

Shingles are sold in bundles of 250 ($\frac{1}{4}$ M). The lengths of shingles in bundle are the same (usually 12 in., 14 in., or 16 in.), but the width varies. The average width, however, is generally 4 in., the width of all bundles being alike. When laying shingles, 4 in. is usually exposed to the weather, the remaining portions being concealed by the other shingles.

Rule.—*To find the number of shingles required to cover a roof, compute the total area of the roof in square inches, and divide this area by the product of the average width of the shingle and the length that is exposed to the weather.*

EXAMPLE.—What would it cost to shingle a roof, each side measuring 40 ft. $\times$ 16 ft., if the shingles cost \$4.50 per M?

SOLUTION.—Since the size of the exposed portion is not

stated, it will be assumed as 4 in. $\times$ 4 in. Then, for one side $\frac{40 \times 16 \times 144}{4 \times 4} = 5,760$ shingles will be required, and for both sides, $5,760 \times 2 = 11,520$ shingles. Therefore, the cost will be $11.52 \times \$4.50 = \51.84 .

Multiply by 144 in order to reduce the square feet (40×16) to square inches. Allowance should also be made for waste.

MASONRY

In estimating the cubical contents of stone walls, the *perch* of $23\frac{1}{2}$ cu. ft. is used.

Rule.—To find the number of perches of masonry in a wall, divide the volume of the wall in cubic feet by $24\frac{1}{2}$.

In estimating the contents of stone foundations for buildings, the length of the wall is measured on the outside, thus counting each corner twice. If a wall 2 ft. thick measures 12 ft. $\times$ 20 ft. on the outside, and we assume that the corners are parts of the longer sides, we have 2 walls each 20 ft. long, and 2 walls each 8 ft. long. The actual length is therefore $2 \times 20 + 2 \times 8 = 56$ ft. The length estimated on the outside is $2 \times 20 + 2 \times 12 = 64$ ft. To find the actual length of such a wall, subtract 4 times the thickness of the wall from the length measured on the outside. Thus, in the above case, actual length $= 64 - 4 \times 2 = 56$ ft.

Usually, masons make no allowance for windows and doors in estimating their work. In estimating the quantity of stone required for the wall, such allowance should be made.

EXAMPLE.—(a) How many perches of stone are required to build the walls of a church 60 ft. long by 32 ft. wide, the walls being 24 ft. high and $2\frac{1}{4}$ ft. thick? There are 8 windows, each 5 ft. wide and 11 ft. high, and 2 doors, each 6 ft. wide and 9 ft. high. (b) What is the cost of laying the walls at \$3.50 per perch?

SOLUTION.—

Length of wall (outside) $= 2 \times 60 + 2 \times 32 = 184$ ft.

Actual length $= 184 - 4 \times 2\frac{1}{4} = 175$ ft.

Actual cubical contents $= 175 \times 24 \times 2\frac{1}{4} = 9,450$ cu. ft.

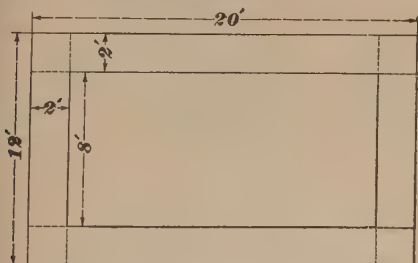
Allowance for windows $= 5 \times 11 \times 2\frac{1}{4} \times 8 = 990$ cu. ft.

Allowance for doors = $6 \times 9 \times 2\frac{1}{4} \times 2 = 243$ cu. ft.

Net contents = $9,450 - (990 + 243) = 8,217$ cu. ft.

(a) Perches required for wall = $8,217 \div 24\frac{3}{4} = 332$.

(b) Since, in estimating the cost of the work, no allowance is made for corners, doors, and windows,



Cubical contents = $184 \times 24 \times 2\frac{1}{4} = 9,936$ cu. ft.

Perches of stonework = $9,936 \div 24\frac{3}{4} = 401\frac{5}{8}$.

Cost of laying walls = $401\frac{5}{8} \times \$3.50 = \$1,405.09$.

BRICKWORK

Brickwork is generally estimated by the thousand bricks laid in the wall, but measurements by the cubic yard and by the perch are also used. To allow for mortar, $\frac{1}{4}$ in. is added to the length and to the thickness in making calculations. The following data will be found useful in calculating the number of bricks in a wall: For each superficial foot of wall 1 in. in thickness (the width of 1 brick), allow $7\frac{1}{2}$ bricks; for 2-inch wall (the width of 2 bricks), allow 15 bricks; and so on, estimating $7\frac{1}{2}$ bricks for each additional 4 in. in thickness of wall. If brickwork is estimated by the cubic yard, allow 500 bricks to 1 cu. yd. This figure is based on the use of 4 in. $\times$ 4 in. $\times$ $2\frac{1}{4}$ in. bricks, with mortar joints not over $\frac{3}{8}$ in. thick. If the joints are $\frac{1}{8}$ in. thick, as in face brickwork, 1 cu. yd. will require about 575 bricks. In making calculations of the number of bricks required, an allowance of, say, 10% should be made for waste in breakage, etc.

BINS, CISTERNS, ETC.

It is frequently necessary to estimate the capacity of bin, box, or vessel in bushels, barrels, or gallons. The volume of the bin or vessel in cubic feet or cubic inches is divided by the number of cubic feet or cubic inches in a bushel, barrel, or gallon, as the case may be. For convenience of reference, the following table of capacities is given:

DRY MEASURE

1 heaped bushel	= 2,747.71 cu. in.	= 1.59 cu. ft., nearly
1 stricken bushel	= 2,150.42 cu. in.	= 1.25 cu. ft., nearly
1 peck	= 537.6 cu. in.	
1 quart	= 67.2 cu. in.	
1 pint	= 33.6 cu. in.	

LIQUID MEASURE

1 hogshead	= 8.422 cu. ft.
1 barrel	= 4.211 cu. ft.
1 gallon	= 231 cu. in.
1 quart	= 57.75 cu. in.
1 pint	= 28.875 cu. in.

Rule.—To find the capacity of a bin or other vessel in dry measure or in liquid measure, divide the volume of the bin or vessel in cubic inches by the number of cubic inches in the unit of measure.

The following table of approximate capacities is very convenient in rough calculations:

1 cubic foot	= .63 heaped bushel
1 cubic foot	= .80 stricken bushel
1 cubic foot	= 7.50 liquid gallons
1 cubic foot	= $\frac{1}{80}$ barrel

The following short rules are approximate, but the results are sufficiently accurate for all practical purposes:

Rule.—To find the capacity of a bin in heaped bushels, multiply the volume in cubic feet by .63.

Rule.—To find the capacity of a bin in stricken bushels, multiply the volume in cubic feet by .8.

Rule.—To find the number of gallons in a cistern or other vessel, multiply the volume in cubic feet by 7.5.

Rule.—To find the number of barrels in a cistern, multiply the volume in cubic feet by $\frac{1}{4}$.

Rule.—To find the number of gallons in a cylindrical vessel, multiply the square of the diameter in inches by the height in inches, and that product by .0034.

GAUGING OF CASKS

A cask resembles two frustums of cones with their larger bases placed together.

The *bung diameter* of a cask is the diameter measured half way between the two ends; it is usually the greatest diameter.

The *mean diameter* of a cask is the mean between the bung diameter and head diameter. The mean diameter is found by adding together the head diameter and bung diameter and dividing the sum by 2.

Rule.—To find the number of gallons in a cask, multiply the square of the mean diameter in inches by the length in inches, and that product by .0034.

To find the number of liters in the cask, multiply by .0129 instead of .0034. If the cask is partly filled, stand it on end, find the mean diameter of the part filled, multiply its square by the height, and that product by .0034.

EXAMPLE.—The diameter of a cask is 27 in. at the head, 33 in. at the bung, and the cask is 3 ft. long; how many gallons will it hold?

SOLUTION.—Mean diameter = $\frac{27 + 33}{2} = 30$ in. Length = 3 ft. = 36 in. Capacity = $30^2 \times 36 \times .0034 = 110.16$ gal.

COAL AND HAY

A ton (2,000 lb.) of Lehigh coal, egg size, measures $34\frac{1}{2}$ cu. ft. in the bin; Schuylkill coal, 35 cu. ft.; pink-gray and red-ash coal, 36 cu. ft.; Wyoming coal, 31 cu. ft.

The bulk of a ton of hay is dependent on the pressure to which it is subjected. Roughly speaking, a ton of hay lying unpressed measures 500 cu. ft.; when in a small stack, 400 cu. ft.; and in mows compressed with grain, or in well-settled stacks, 300 cu. ft.

Shipping Ton.—Freight on very light articles is usually estimated by the space occupied.

$$\begin{aligned}
 40 \text{ cu. ft.} &= \begin{cases} 1 \text{ United States shipping ton} \\ 31.16 \text{ imperial bushels} \\ 32.143 \text{ United States bushels} \end{cases} \\
 42 \text{ cu. ft.} &= \begin{cases} 1 \text{ British shipping ton} \\ 32.719 \text{ imperial bushels} \\ 33.75 \text{ United States bushels} \end{cases}
 \end{aligned}$$

PERCENTAGE

Percentage is the term applied to those arithmetical operations in which the number or quantity to be operated on is supposed to be divided into 100 equal parts.

The term *per cent.* means by the hundred. Thus, 8 per cent. of a number means 8 hundredths, i. e., $\frac{8}{100}$, or .08, of that number; 8 per cent. of 250 is $250 \times \frac{8}{100}$, or $250 \times .08 = 20$; 47 per cent. of 75 bushels is $75 \times \frac{47}{100} = 75 \times .47 = 35.25$ bushels.

When expressing the per cent. of a number to use in calculations, it is customary to express it decimally instead of fractionally. Thus, instead of expressing 6%, 25%, and 43% as $\frac{6}{100}$, $\frac{25}{100}$, and $\frac{43}{100}$, it is usual to express them as .06, .25, and .43.

The following table shows how many per cent. can be expressed either as a decimal or a fraction:

Per Cent.	Decimal	Fraction	Per Cent.	Decimal	Fraction
1%	.01	$\frac{1}{100}$	$\frac{1}{2}$ %	.0025	$\frac{1}{400}$ or $\frac{1}{400}$
2%	.02	$\frac{2}{100}$ or $\frac{1}{50}$	$\frac{1}{4}$ %	.0050	$\frac{1}{200}$ or $\frac{1}{200}$
5%	.05	$\frac{5}{100}$ or $\frac{1}{20}$	$1\frac{1}{2}$ %	.0150	$\frac{1\frac{1}{2}}{100}$ or $\frac{3}{200}$
10%	.10	$\frac{10}{100}$ or $\frac{1}{10}$	$6\frac{1}{4}$ %	.0625	$\frac{6\frac{1}{4}}{100}$ or $\frac{1}{16}$
25%	.25	$\frac{25}{100}$ or $\frac{1}{4}$	$8\frac{1}{3}$ %	.0833	$\frac{8\frac{1}{3}}{100}$ or $\frac{1}{12}$
50%	.50	$\frac{50}{100}$ or $\frac{1}{2}$	$12\frac{1}{2}$ %	.1250	$\frac{12\frac{1}{2}}{100}$ or $\frac{1}{8}$
75%	.75	$\frac{75}{100}$ or $\frac{3}{4}$	$16\frac{2}{3}$ %	.1666	$\frac{16\frac{2}{3}}{100}$ or $\frac{1}{6}$
100%	1.00	$\frac{100}{100}$ or 1	$33\frac{1}{3}$ %	.3333	$\frac{33\frac{1}{3}}{100}$ or $\frac{1}{3}$
125%	1.25	$\frac{125}{100}$ or $1\frac{1}{4}$	$37\frac{1}{2}$ %	.3750	$\frac{37\frac{1}{2}}{100}$ or $\frac{3}{8}$
150%	1.50	$\frac{150}{100}$ or $1\frac{1}{2}$	$62\frac{1}{2}$ %	.6250	$\frac{62\frac{1}{2}}{100}$ or $\frac{5}{8}$
500%	5.00	$\frac{500}{100}$ or 5	$87\frac{1}{2}$ %	.8750	$\frac{87\frac{1}{2}}{100}$ or $\frac{7}{8}$

The *base* is the number or quantity that is supposed to be divided into 100 equal parts.

The *rate per cent.* is that number of the 100 equal parts into which the base is supposed to be divided that is taken or considered. The *rate* is the number of hundredths of the base that is taken or considered. The distinction between the rate per cent. and the rate is this: the rate per cent. is always 100 times the rate. Thus, 7% of 125 and .07 of 125 amount in the end to the same thing; the former, 7, is the rate per cent., the number of hundredths of 125 intended; the latter, .07, is the rate, the part of 125 that is to be found; 7% is used in speech, .07 is the form used in computation. So, also, $12\frac{1}{2}\% = .125$, $\frac{1}{8}\% = .005$, $1\frac{3}{4}\% = .0175$.

The *percentage* is the result obtained by multiplying the base by the rate. Thus, 7% of 125 = $125 \times .07 = 8.75$, the percentage.

The *amount* is the sum of the base and the percentage.

The *difference* is the remainder obtained when the percentage is subtracted from the base.

BASE, RATE, AND PERCENTAGE

Rule.—To find the percentage, multiply the base by the rate.

EXAMPLE.—A farmer raised 650 bu. of wheat and sold 64% of it. How many bushels did he sell?

SOLUTION.—The base is 650 bu. Out of every 100 bu. raised, 64 were sold, that is, the number of bushels sold was $\frac{64}{100}$ or .64 of the number raised. $650 \times .64 = 416$ bu., the percentage.

Rule.—To find the rate, divide the percentage by the base.

EXAMPLE.—Bought 300 bu. of apples and sold 228 bu. What per cent. of the number of bushels bought was sold?

SOLUTION.—Here 300 is the base and 228 is the percentage; hence, applying rule, rate = $228 \div 300 = .76 = 76\%$.

Rule.—To find the base when the percentage and rate are given, divide the percentage by the rate.

EXAMPLE.—Bought a certain number of bushels of apples and sold 76% of them. If I sold 228 bu., how many bushels did I buy?

SOLUTION.—Here 228 is the percentage, and .76 is the rate; hence, applying the rule, $228 \div .76 = 300$ bu.

INVESTMENTS

Sum invested is the *base*.

Rate per cent. per annum is the *rate*.

Income (interest or dividend) is the *percentage*.

Par value multiplied by the rate gives the *income on the face of the stock*.

Cost multiplied by the rate gives the *income on the investment*.

Income divided by the cost gives the *rate per cent*.

PROFIT AND LOSS

Profit and loss treats of the gains or losses arising in business transactions.

If the price for which merchandise is sold is greater than the cost of the merchandise, the difference is profit or gain. If the selling price is less than the cost, the difference is loss.

The *gross cost* of merchandise is its first cost plus the expenses of purchase, transportation, and storage. Such expenses are commission, freight, insurance, drayage, etc.

The *net selling price* is the gross selling price, less all discounts and expenses of sale.

Computations in profit and loss are made according to the rules of percentage. The gross cost of the merchandise is the base on which the rate of profit or loss is computed. The profit or loss is the percentage. If the merchandise is sold at a profit, the net selling price is the amount; if at a loss, the net selling price is the difference.

Rule.—To find the profit or loss, multiply the gross cost by the rate of gain or loss.

FORMULA: $\text{profit or loss} = \text{cost} \times \text{rate}$.

EXAMPLE.—A house costing \$3,000 is sold for 22% above cost. What is the profit?

SOLUTION.—Profit = cost $\times$ rate = $\$3,000 \times .22 = \660 .

Rule.—To find the rate of profit or loss, divide the difference between the selling price and gross cost by the gross cost; or divide the profit or loss by the gross cost.

FORMULA: $\text{rate} = \text{profit or loss} \div \text{gross cost}$.

EXAMPLE.—A merchant sold for \$768 a lot of dry goods for which he paid \$900. What was the per cent. loss?

SOLUTION.—Loss = $\$900 - \$768 = \$132$. Rate of loss = loss $\div$ cost = $\$132 \div \$900 = .14\frac{2}{3}$, or $14\frac{2}{3}\%$.

Rule.—To find the selling price, the cost and rate of gain or loss being given, multiply the cost by 1 plus the rate of gain, or by 1 minus the rate of loss.

FORMULAS:

$$\text{selling price} = \begin{cases} \text{cost} \times (1 + \text{rate of gain}) \\ \text{cost} \times (1 - \text{rate of loss}) \end{cases}$$

EXAMPLE.—If hay is bought for \$8 per ton, and if baling and shipping costs \$5.50 per ton additional, at what price must it be sold to yield a profit of 16%?

SOLUTION.—Gross cost = $\$8 + \$5.50 = \$13.50$. Selling price = cost $\times$ (1 + rate) = $\$13.50 \times 1.16 = \15.66 .

Rule.—To find the cost, the selling price and rate of gain or loss being given, divide the selling price by 1 plus the rate of gain, or by 1 minus the rate of loss.

FORMULAS:

$$\text{cost} = \begin{cases} \text{selling price} \div (1 + \text{rate of gain}) \\ \text{selling price} \div (1 - \text{rate of loss}) \end{cases}$$

EXAMPLE.—Sold drugs for \$112 and gained 75%. What was the cost of the drugs, and what was the profit?

SOLUTION.—Cost = selling price $\div$ (1 + rate) = $\$112 \div 1.75 = \64 . Profit = $\$112 - \$64 = \$48$.

TRADE DISCOUNTS

Trade discounts are reductions made by manufacturers, jobbers or merchants from their list of catalogue prices. Trade discounts are computed by the rules of percentage, the list price of the goods being the base. When several discounts are allowed, the first discount is computed on the list price, the second is computed on the remainder after deducting the first discount, and so on, each remainder being regarded as a base for the computation of the next discount. The several discounts, if there are more than one, form a discount series.

Rule.—To find the selling price, multiply the list price by the rate, and subtract the discount thus obtained from the list price. If there is a discount series, compute the second discount, using the first remainder as a base, and subtract the discount from the

remainder. Repeat the process, using each successive remainder as a base for computing the next discount. The last remainder is the selling price.

EXAMPLE 1.—The list price of an article is \$62.50 and a discount of 40% is allowed. What is the selling price?

SOLUTION.—Discount = $\$62.50 \times .40 = \25 . Selling price = $\$62.50 - \$25 = \$37.50$.

EXAMPLE 2.—On a bill of goods amounting to \$720, discounts of 30%, 10%, and 5% are allowed. What is the selling price?

SOLUTION.—

$$\text{First discount} = \$720 \times .30 = \$216$$

$$\text{Remainder} = \$720 - \$216 = \$504$$

$$\text{Second discount} = \$504 \times .10 = \$50.40$$

$$\text{Remainder} = \$504 - \$50.40 = \$453.60$$

$$\text{Third discount} = \$453.60 \times .05 = \$22.68$$

$$\text{Selling price} = \$453.60 - \$22.68 = \$430.92$$

Rule.—*To reduce a discount series to an equivalent single discount, subtract each rate of discount from 1, and multiply the remainders together. Subtract the product from 1, and the remainder will be the single discount.*

EXAMPLE.—What single discount on the gross price is equivalent to a discount series of 25%, 10%, and 5%?

SOLUTION.— $1 - .25 = .75$; $1 - .10 = .90$; $1 - .05 = .95$. $.75 \times .90 \times .95 = .6412$. $1 - .6412 = .3588$.

The following table of equivalent discounts will be found useful in reducing a series of discounts to a single discount. Its use will save a great deal of time in making out bills in establishments where several discounts are commonly given from the price list. It contains the various series in most general use, and a bill clerk can easily memorize the equivalents of the series most commonly used in his work. If, however, it is necessary to use a series not given in the table, the equivalent discount must be found by the preceding rule. The column headed Rate Per Cent. is a discount series, the column headed Equivalent is the series expressed as a single discount, while the column headed Net is the percentage remaining after the discount has been deducted.

Rate Per Cent.	Equi- valent	Net	Rate Per Cent.	Equi- valent	Net
$2\frac{1}{2}$	.0250	.9750	20, 10, and $2\frac{1}{2}$	.2980	.7020
$2\frac{1}{2}$ and $2\frac{1}{2}$	.0494	.9506	20, 10, and 5	.3160	.6840
$2\frac{1}{2}$ and 5	.0738	.9262	20, 10, 5, and $2\frac{1}{2}$	.3331	.6669
$2\frac{1}{2}$, 5, and $2\frac{1}{2}$	.0969	.9031	20, 10, and 10	.3520	.6480
$2\frac{1}{2}$, 5, and 5	.1201	.8799	25	.2500	.7500
$2\frac{1}{2}$, 5, 5, and $2\frac{1}{2}$	.1421	.8579	25 and $2\frac{1}{2}$	.2688	.7312
$2\frac{1}{2}$ and 10	.1225	.8775	25, $2\frac{1}{2}$, and $2\frac{1}{2}$	.2871	.7129
$2\frac{1}{2}$, 10, and $2\frac{1}{2}$	.1444	.8556	25 and 5	.2875	.7125
$2\frac{1}{2}$, 10, and 5	.1660	.8340	25, 5, and $2\frac{1}{2}$	.3053	.6947
$2\frac{1}{2}$, 10, 5, and $2\frac{1}{2}$	.1872	.8128	25, 5, and 5	.3231	.6769
$2\frac{1}{2}$, 10, and 10	.2103	.7897	25 and $7\frac{1}{2}$	.3063	.6937
5	.0500	.9500	25, $7\frac{1}{2}$, and $2\frac{1}{2}$	.3236	.6764
5 and $2\frac{1}{2}$	.0738	.9262	25, $7\frac{1}{2}$, and 5	.3410	.6590
5 and 5	.0975	.9025	25, $7\frac{1}{2}$, and $7\frac{1}{2}$	.3583	.6417
5, 5, and $2\frac{1}{2}$	.1201	.8799	25 and 10	.3250	.6750
5, 5, and 5	.1426	.8574	25, 10, and $2\frac{1}{2}$	.3419	.6581
5, 5, 5, and $2\frac{1}{2}$	.1640	.8360	25, 10, and 5	.3588	.6412
10	.1000	.9000	25, 10, and $7\frac{1}{2}$	.3756	.6244
10 and $2\frac{1}{2}$	.1225	.8775	25, 10, and 10	.3925	.6075
10 and 5	.1450	.8550	$27\frac{1}{2}$	.2750	.7250
10, 5, and $2\frac{1}{2}$	.1664	.8336	$27\frac{1}{2}$ and $2\frac{1}{2}$	.2931	.7069
10, 5, and 5	.1878	.8122	$27\frac{1}{2}$, $2\frac{1}{2}$, and $2\frac{1}{2}$	.3108	.6892
10, 5, 5, and $2\frac{1}{2}$	.2081	.7919	$27\frac{1}{2}$ and 5	.3113	.6887
10 and 10	.1900	.8100	$27\frac{1}{2}$, 5, and $2\frac{1}{2}$	.3285	.6715
10, 10, and $2\frac{1}{2}$	.2103	.7897	$27\frac{1}{2}$, 5, and 5	.3457	.6543
10, 10, and 5	.2305	.7695	$27\frac{1}{2}$ and $7\frac{1}{2}$	.3294	.6706
10, 10, 5, and $2\frac{1}{2}$	.2497	.7503	$27\frac{1}{2}$, $7\frac{1}{2}$, and $2\frac{1}{2}$	.3462	.6538
10, 10, and 10	.2710	.7290	$27\frac{1}{2}$, $7\frac{1}{2}$, and 5	.3629	.6371
15	.1500	.8500	$27\frac{1}{2}$, $7\frac{1}{2}$, and $7\frac{1}{2}$	.3797	.6203
15 and $2\frac{1}{2}$	.1713	.8287	$27\frac{1}{2}$ and 10	.3475	.6525
15 and 5	.1925	.8075	$27\frac{1}{2}$, 10, and $2\frac{1}{2}$	.3638	.6362
15, 5, and $2\frac{1}{2}$	.2127	.7873	$27\frac{1}{2}$, 10, and 5	.3801	.6199
15, 5, and 5	.2329	.7671	$27\frac{1}{2}$, 10, and $7\frac{1}{2}$	.3964	.6036
15, 5, 5, and $2\frac{1}{2}$	.2521	.7479	$27\frac{1}{2}$, 10, and 10	.4128	.5872
15 and 10	.2350	.7650	30	.3000	.7000
15, 10, and $2\frac{1}{2}$	.2541	.7459	30 and $2\frac{1}{2}$	.3175	.6825
15, 10, and 5	.2733	.7267	30, $2\frac{1}{2}$, and $2\frac{1}{2}$	.3346	.6654
15, 10, 5, and $2\frac{1}{2}$	.2915	.7085	30 and 5	.3350	.6650
15, 10, and 10	.3115	.6885	30, 5, and $2\frac{1}{2}$	.3516	.6484
20	.2000	.8000	30, 5, and 5	.3683	.6317
20 and $2\frac{1}{2}$	.2200	.7800	30 and $7\frac{1}{2}$	.3525	.6475
20 and 5	.2400	.7600	30, $7\frac{1}{2}$, and $2\frac{1}{2}$	.3687	.6313
20, 5, and $2\frac{1}{2}$	.2590	.7410	30, $7\frac{1}{2}$, and 5	.3849	.6151
20, 5, and 5	.2780	.7220	30, $7\frac{1}{2}$, and $7\frac{1}{2}$	.4011	.5989
20, 5, 5, and $2\frac{1}{2}$	.2962	.7038	30 and 10	.3700	.6300
20 and 10	.2800	.7200	30, 10, and $2\frac{1}{2}$	.3858	.6142

Rate Per Cent.	Equiv- alent	Net	Rate Per Cent.	Equiv- alent	Net
30, 10, and 5	.4015	.5985	37 $\frac{1}{2}$, 10, and 7 $\frac{1}{2}$	.4797	.5203
30, 10, and 7 $\frac{1}{2}$	.4173	.5827	37 $\frac{1}{2}$, 10, and 10	.4938	.5062
30, 10, and 10	.4330	.5670	40	.4000	.6000
32 $\frac{1}{2}$	.3250	.6750	40 and 2 $\frac{1}{2}$	.4150	.5850
32 $\frac{1}{2}$ and 2 $\frac{1}{2}$	.3419	.6581	40, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4296	.5704
32 $\frac{1}{2}$, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.3584	.6416	40 and 5	.4300	.5700
32 $\frac{1}{2}$ and 5	.3588	.6412	40, 5, and 2 $\frac{1}{2}$	.4443	.5557
32 $\frac{1}{2}$, 5, and 2 $\frac{1}{2}$	.3748	.6252	40, 5, and 5	.4585	.5415
32 $\frac{1}{2}$, 5, and 5	.3909	.6091	40 and 7 $\frac{1}{2}$	.4450	.5550
32 $\frac{1}{2}$ and 7 $\frac{1}{2}$	.3756	.6244	40, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4589	.5411
32 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.3912	.6088	40, 7 $\frac{1}{2}$, and 5	.4728	.5272
32 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 5	.4068	.5932	40, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.4866	.5134
32 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.4224	.5776	40 and 10	.4600	.5400
32 $\frac{1}{2}$ and 10	.3925	.6075	40, 10, and 2 $\frac{1}{2}$	.4735	.5265
32 $\frac{1}{2}$, 10, and 2 $\frac{1}{2}$	.4077	.5923	40, 10, and 5	.4870	.5130
32 $\frac{1}{2}$, 10, and 5	.4229	.5771	40, 10, and 7 $\frac{1}{2}$	.5005	.4995
32 $\frac{1}{2}$, 10, and 7 $\frac{1}{2}$	.4381	.5619	40, 10, and 10	.5140	.4860
32 $\frac{1}{2}$, 10, and 10	.4533	.5467	42 $\frac{1}{2}$	.4250	.5750
35	.3500	.6500	42 $\frac{1}{2}$ and 2 $\frac{1}{2}$	.4394	.5606
35 and 2 $\frac{1}{2}$	.3663	.6337	42 $\frac{1}{2}$, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4534	.5466
35, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.3821	.6179	42 $\frac{1}{2}$ and 5	.4538	.5462
35 and 5	.3825	.6175	42 $\frac{1}{2}$, 5, and 2 $\frac{1}{2}$	.4675	.5325
35, 5, and 2 $\frac{1}{2}$	.3979	.6021	42 $\frac{1}{2}$, 5, and 5	.4811	.5189
35, 5, and 5	.4134	.5866	42 $\frac{1}{2}$ and 7 $\frac{1}{2}$	.4681	.5319
35 and 7 $\frac{1}{2}$	.3988	.6012	42 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4814	.5186
35, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4138	.5862	42 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 5	.4947	.5053
35, 7 $\frac{1}{2}$, and 5	.4288	.5712	42 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.5080	.4920
35, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.4439	.5561	42 $\frac{1}{2}$ and 10	.4825	.5175
35 and 10	.4150	.5850	42 $\frac{1}{2}$, 10, and 2 $\frac{1}{2}$	.4954	.5046
35, 10, and 2 $\frac{1}{2}$	.4296	.5704	42 $\frac{1}{2}$, 10, and 5	.5084	.4916
35, 10, and 5	.4443	.5557	42 $\frac{1}{2}$, 10, and 7 $\frac{1}{2}$	.5213	.4787
35, 10, and 7 $\frac{1}{2}$	.4589	.5411	42 $\frac{1}{2}$, 10, and 10	.5343	.4657
35, 10, and 10	.4735	.5265	45	.4500	.5500
37 $\frac{1}{2}$	.3750	.6250	45 and 2 $\frac{1}{2}$	.4638	.5362
37 $\frac{1}{2}$ and 2 $\frac{1}{2}$	.3906	.6094	45, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4772	.5228
37 $\frac{1}{2}$, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4058	.5942	45 and 5	.4775	.5225
37 $\frac{1}{2}$ and 5	.4063	.5937	45, 5, and 2 $\frac{1}{2}$	.4906	.5094
37 $\frac{1}{2}$, 5, and 2 $\frac{1}{2}$	.4211	.5789	45, 5, and 5	.5036	.4964
37 $\frac{1}{2}$, 5, and 5	.4360	.5640	45 and 7 $\frac{1}{2}$	.4913	.5087
37 $\frac{1}{2}$ and 7 $\frac{1}{2}$	.4219	.5781	45, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.5040	.4960
37 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.4364	.5636	45, 7 $\frac{1}{2}$, and 5	.5167	.4833
37 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 5	.4508	.5492	45, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.5295	.4705
37 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.4654	.5346	45 and 10	.5050	.4950
37 $\frac{1}{2}$ and 10	.4375	.5625	45, 10, and 2 $\frac{1}{2}$	.5174	.4826
37 $\frac{1}{2}$, 10, and 2 $\frac{1}{2}$	.4516	.5484	45, 10, and 5	.5298	.4702
37 $\frac{1}{2}$, 10, and 5	.4656	.5344	45, 10, and 7 $\frac{1}{2}$	.5421	.4579

Rate Per Cent.	Equiv- alent	Net	Rate Per Cent.	Equiv- alent	Net
45, 10, and 10	.5545	.4455	50	.5000	.5000
47 $\frac{1}{2}$	.4750	.5250	50 and 2 $\frac{1}{2}$	.5125	.4875
47 $\frac{1}{2}$ and 2 $\frac{1}{2}$	.4881	.5119	50, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.5247	.4753
47 $\frac{1}{2}$, 2 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.5009	.4991	50 and 5	.5250	.4750
47 $\frac{1}{2}$ and 5	.5013	.4987	50, 5, and 2 $\frac{1}{2}$	.5369	.4631
47 $\frac{1}{2}$, 5, and 2 $\frac{1}{2}$	.5138	.4862	50, 5, and 5	.5488	.4512
47 $\frac{1}{2}$, 5, and 5	.5262	.4738	50 and 7 $\frac{1}{2}$	.5375	.4625
47 $\frac{1}{2}$ and 7 $\frac{1}{2}$	.5144	.4856	50, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.5491	.4509
47 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 2 $\frac{1}{2}$	.5265	.4735	50, 7 $\frac{1}{2}$, and 5	.5606	.4394
47 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 5	.5387	.4613	50, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.5722	.4278
47 $\frac{1}{2}$, 7 $\frac{1}{2}$, and 7 $\frac{1}{2}$	.5509	.4491	50 and 10	.5500	.4500
47 $\frac{1}{2}$ and 10	.5275	.4725	50, 10, and 2 $\frac{1}{2}$	.5613	.4387
47 $\frac{1}{2}$, 10, and 2 $\frac{1}{2}$	.5393	.4607	50, 10, and 5	.5725	.4275
47 $\frac{1}{2}$, 10, and 5	.5511	.4489	50, 10, and 7 $\frac{1}{2}$	.5838	.4162
47 $\frac{1}{2}$, 10, and 7 $\frac{1}{2}$	.5629	.4371	50, 10, and 10	.5950	.4050
47 $\frac{1}{2}$, 10, and 10	.5748	.4252			

PARTNERSHIP

Partnership is an association of two or more persons for the transaction of business with joint capital.

The *capital* is the money or other property invested. The persons associated are *partners*, and may be either active or silent. An *active partner* is one that has a voice in the management of the enterprise. A *silent partner* is one that has money invested in the business, but has no voice in its management.

The *assets* or *resources* of a firm are the property it owns and the debts owing to it.

The *liabilities* of a firm are the debts it owes.

When the Partners Invest for the Same Period of Time.—The gains and losses of a firm are apportioned among its members in proportion to each partner's investment, and the time during which it is invested. The operation is best performed by the method known as distributive proportion. When the shares of the several partners are invested for equal times, the apportionment of gains or losses is exactly similar to the division of a number into given proportional parts.

Rule.—Divide the amount each partner invests by the total amount invested, and multiply the quotient by the gain or loss. The result will be each partner's gain or loss.

EXAMPLE.—A, B, and C invest \$500, \$600, and \$700, respectively, in an enterprise by which they gain \$1,620. Apportion the gain.

SOLUTION.—Total amount invested is \$1,800. Since each partner shares the gain in proportion to the amount he invests, it is clear that A's share must be $\frac{500}{1,800}$ of \$1,620, or \$450; B's share $\frac{600}{1,800}$ of \$1,620, or \$540; and C's share $\frac{700}{1,800}$ of \$1,620, or \$630.

WHEN PARTNERS INVEST FOR DIFFERENT PERIODS OF TIME

Rule.—Reduce the amounts invested to equivalent amounts for an equal interval of time, as 1 yr., 1 mo., or 1 da.; then divide the amount each partner invests by the total amount invested, and multiply the quotient by the gain or loss. The result will be each partner's gain or loss.

EXAMPLE 1.—Three men engage in business. A puts in \$8,000 for 8 mo., B \$10,000 for 12 mo., and C \$9,000 for 10 mo. They lose \$10,960. What does each man lose?

FIRST SOLUTION.— $\$8,000 \times 8 + \$10,000 \times 12 + \$9,000 \times 10 = \$274,000$.

$$\$274,000 : \$64,000 = \$10,960 : \text{loss of A, or } \$2560$$

$$\$274,000 : \$120,000 = \$10,960 : \text{loss of B, or } \$4800$$

$$\$274,000 : \$90,000 = \$10,960 : \text{loss of C, or } \$3600$$

$$\$10960$$

EXPLANATION.—\$8,000 for 8 mo. equals \$64,000 for 1 mo.; \$10,000 for 12 mo. equals \$120,000 for 1 mo.; \$9,000 for 10 mo. equals \$90,000 for 1 mo. The remainder of the operation is as before explained.

SECOND SOLUTION.—

$$\$8,000 \times 8 = \$64000$$

$$\$10,000 \times 12 = \$120000$$

$$\$9,000 \times 10 = \$90000$$

$$\$274000 \text{ for 1 mo.}$$

$$\text{A's loss} = \frac{64,000}{274,000} \times \$10,960 = \$2,560$$

$$\text{B's loss} = \frac{120,000}{274,000} \times \$10,960 = \$4,800$$

$$\text{C's loss} = \frac{90,000}{274,000} \times \$10,960 = \$3,600$$

EXAMPLE 2.—A and B engage in business for 1 yr. During the first 5 mo. A's capital was \$8,000, at the end of which time he increased it by \$1,000. B's capital the first 8 mo. was \$10,000; he then drew out \$5,000 of it. At the end of the year they had gained \$8,120. Find each man's share.

FIRST SOLUTION.—Reducing the amounts invested to an equal interval of time, as 1 mo., A had \$8,000 invested for 5 mo., and \$8,000 + \$1,000 = \$9,000 for 7 mo.; B had \$10,000 invested for 8 mo., and \$10,000 - \$5,000 = \$5,000 for 4 mo.

$$\$8,000 \times 5 + \$9,000 \times 7 = \$103,000$$

$$\$10,000 \times 8 + \$5,000 \times 4 = \$100,000$$

$$\$203,000 : \$103,000 = \$8,120 : \text{A's share, or } \$4120$$

$$\$203,000 : \$100,000 = \$8,120 : \text{B's share, or } \$4000$$

$$\underline{\$8120}$$

SECOND SOLUTION.—Proceeding as before, the total amount invested for 1 mo. was \$203,000; hence,

$$\text{A's gain was } \frac{103,000}{203,000} \times \$8,120 = \$4,120$$

$$\text{B's gain was } \frac{100,000}{203,000} \times \$8,120 = \$4,000$$

INSURANCE

Insurance is a contract by which one party, the *underwriter*, or *insurer*, agrees, for a consideration, to make good a loss sustained by another party.

The *policy* is the written contract between the insurance company and the party insured; it contains a description of the property insured, the conditions on which the insurance is taken, and the amount to be paid in case of loss.

The *premium* is the amount paid to the insurer for assuming the risk of loss or damage. The premium is a certain per cent. of the amount of insurance, as $\frac{1}{2}\%$, $\frac{3}{4}\%$.

In property insurance, all computations are based on the

rules of percentage. The amount of insurance is the base, the premium is the percentage, and the rate of premium is the rate.

Rule.—To find the premium, multiply the amount of insurance by the rate of premium.

FORMULA :

$$\text{premium} = \text{amount of insurance} \times \text{rate}$$

EXAMPLE.—A house and furniture are insured against fire for \$3,250, the rate of premium being $\frac{3}{4}\%$, or 75 ct. per \$100 per yr. What is the yearly premium?

SOLUTION.— $\frac{3}{4}\% = .0075$. Using the rule, the premium = $\$3,250 \times .0075 = \$24.37\frac{1}{2}$.

Rule.—To find the amount of insurance, divide the premium by the rate of premium. To find the rate of premium, divide the premium by the amount of insurance.

FORMULAS :

$$\text{amount of insurance} = \text{premium} \div \text{rate of premium}$$

$$\text{rate of premium} = \text{premium} \div \text{amount of insurance}$$

EXAMPLE 1.—What amount of insurance can be obtained for \$137.50, the rate of premium being 55 ct. per \$100?

SOLUTION.—Rate = $.55 \div \$100.00 = .0055$. Amount of insurance = premium $\div$ rate = $\$137.50 \div .0055 = \$25,000$.

EXAMPLE 2.—A warehouse and contents, together valued at \$13,500, is insured for two-thirds its value. If the premium is \$78.75, what is the rate of premium?

SOLUTION.—Amount of insurance = $\$13,500 \times \frac{2}{3} = \$9,000$. Rate of premium = $\$78.75 \div \$9,000 = .00875 = 87\frac{1}{2}$ ct. per \$100, or $\frac{7}{8}\%$.

COMMISSION AND BROKERAGE

Commission, or *brokerage*, is the sum paid an agent for transacting business for another person; as, for buying or selling merchandise or property, for collecting or investing money. etc.

The *gross proceeds* of a sale or collection is the total amount realized by the agent before deducting his commission and other expenses connected with the transaction. The *net proceeds* is the amount due the principal after the commission and all other charges have been deducted.

The *prime cost* of a purchase is the sum paid by the agent

for the goods or property. The *gross cost* is the prime cost plus the commission and expenses incident to the purchase.

The commission, or brokerage, is usually computed at a certain per cent. of the gross proceeds of a sale or the prime cost of a purchase. In some cases, however, it is computed at a certain price per unit of weight or measure; as, so much per ton, per bushel, or per barrel. Examples in commission are solved by the rules of percentage. Either the gross proceeds or prime cost is the base; the net proceeds is the difference; the gross cost is the amount; the commission is the percentage; and the rate of commission is the rate per cent. The remittance from the principal to the purchasing agent, including both the investment and the commission, is an amount. The following rules are derived directly from the principles of percentage:

Rule.—*To find the commission, multiply the prime cost, or gross selling price, by the rate of commission.*

FORMULA:

$$\text{commission} = \text{cost or selling price} \times \text{rate of commission}$$

EXAMPLE.—A real-estate agent sells a house and lot for \$4,375 and receives 2% commission. What is the commission and what are the net proceeds?

SOLUTION.—The commission = selling price $\times$ rate = \$4,375 $\times$.02 = \$87.50.

The net proceeds = selling price — commission = \$4,375 — \$87.50 = \$4,287.50.

Rule.—*To find the prime cost or gross proceeds, the commission being given, divide the commission by the rate of commission.*

FORMULA:

$$\text{prime cost or gross proceeds} = \text{commission} \div \text{rate of commission}$$

EXAMPLE.—An agent received \$319.50 commission for selling apples. If the rate of commission charged was $1\frac{1}{4}\%$, what was the selling price of the apples?

SOLUTION.—The selling price or gross proceeds = \$319.50 $\div$.015 = \$21,300.

Rule.—*To find the prime cost and commission, the remittance from the principal being given, subtract from the remittance the expenses of the purchase, if any, and divide the remainder by 1 plus the rate of commission. The quotient is the prime cost.*

Subtract the prime cost from the remainder and the difference is the commission.

EXAMPLE.—A principal sends his agent \$21,611 with orders to buy cotton after deducting his commission and other charges. The agent paid \$124.30 for freight, \$51.70 for cartage, \$15 for insurance, and deducted his commission of 2%. (a) How much remained to invest in cotton? (b) What was his commission?

SOLUTION.—Expenses are first deducted. $\$21,611 - (\$124.30 + \$51.70 + \$15) = \$21,420$, which is the sum of the prime cost and commission. According to the rule, (a) prime cost $= \$21,420 \div (1 + .02) = \$21,420 \div 1.02 = \$21,000$; (b) commission $= \$21,420 - \$21,000 = \$420$.

STORAGE

The charge for *storage* is at a certain price per barrel, bale, box, bushel, etc., for a stated number of days called the *storage term*.

For finding the average storage, when goods have been received at different times and in different quantities, but none delivered, the following rule may be used:

Rule.—Multiply each number of barrels, etc. by the number of days each lot was in storage and divide the product by the number of days in the storage term; the quotient will be the average storage for that term.

For finding the average storage when goods have been both received and delivered, the following is the rule:

Rule.—Multiply each number of barrels, etc. by the number of days between the dates of receipt and first delivery. Multiply this number by the number of days to the date of the next delivery, and so on, successively, until the required date. Divide the sum of the products thus found by the number of days in the storage term, and the quotient will be the average storage for that term.

DUTIES

Duties, or *customs*, are taxes levied by governments on imported goods for the purpose of producing revenue and for the protection of home industries.

There are two kinds of duties: *ad valorem* and *specific*.

Ad valorem duty is estimated at a certain per cent. of the market value of the goods in the country from which they are imported, as, silks 50%, musical instruments 15%, etc. The market value of the goods is the invoice value after deducting discounts and before extra charges, such as commission, freight, boxing, etc. are added.

Specific duty is a duty levied on imported goods according to the weight, measurement, or number of the articles, without reference to their value; as, wheat 15 ct. per bu., coal 75 ct. per ton, etc. Some kinds of merchandise are subject to both *ad valorem* and specific duties. In computing specific duties, the long ton of 2,240 lb. and the hundredweight of 112 lb. are used.

Before computing duties, the following allowances are made: *tare*, a deduction for the weight of boxes or crates; *leakage*, an allowance for loss of liquids imported in barrels or casks; and *breakage*, an allowance for loss of liquids imported in bottles. The *net quantity* is what remains after deducting tare, leakage, or breakage.

Ad valorem duties are computed by the rules of percentage; the net invoice price is regarded as the base, the *ad valorem* duty as the percentage, and the rate of duty as the rate.

Duties are not computed on fractions of a dollar. If they are less than 50 ct., they are rejected; if more, they are counted as a dollar.

Rule.—To find the *ad valorem* duty, reduce the net invoice price to United States money, if necessary; deduct allowances, and multiply the remainder (expressed in even dollars) by the rate of *ad valorem* duty.

To find the *specific duty*, multiply the net quantity by the rate of *specific duty* per unit of quantity.

EXAMPLE 1.—What is the duty on an invoice of silks valued at 24,360 francs, the *ad valorem* rate being 60%?

SOLUTION.— $24,360 \text{ francs} = 24,360 \times .193 = \$4,701.48$. Duty $= \$4,701 \times .60 = \$2,820.60$. The 48 ct. is rejected, being less than 50 ct.

EXAMPLE 2.—What is the duty on 820 gal. of brandy at \$1.50 per gal., leakage 3%?

SOLUTION.—Leakage $= 820 \times .03 = 24.6 \text{ gal.}$ Net quantity $= 820 - 24.6 = 795.4 \text{ gal.}$ Duty $= 795.4 \times \$1.50 = \$1,193.10$.

TAXES

Taxes are sums of money levied on persons, properties, or incomes, for public purposes. Thus, taxes are levied to support the state, county, and city governments; to support schools and charities; and to make improvements, such as paved streets and sewers.

A *capitation*, or *poll tax*, is a tax levied on persons; a *property tax* is a tax levied on real estate or personal property; an *income tax* is levied on incomes or salaries. The poll tax is usually a fixed amount for each citizen over 21 years of age. The property tax is estimated at a certain per cent. of the assessed valuation of the property subject to taxation.

Rule.—*To find a property tax, multiply the assessed value of the property by the rate of taxation.*

EXAMPLE.—What property tax must a person pay that owns real estate assessed at \$34,000 and personal property assessed at \$12,500, the rate of taxation being 8 mills per \$1, or rate = .008?

SOLUTION.—Total assessed value = \$34,000 + \$12,500 = \$46,500.
Tax = \$46,500 $\times$.008 = \$372.

Rule.—*To find the rate of taxation, subtract from the total tax to be raised the poll tax, if any; divide the remainder by the total assessed valuation of the property to be taxed.*

EXAMPLE.—The assessed valuation is \$1,375,000 on real estate and \$575,000 on personal property. The town votes to raise \$12,000 for schools, \$2,100 for streets and highways, \$3,000 for salaries, \$1,500 for support of the poor, and \$650 for contingent expenses. There is a poll tax of \$1 each on 3,650 persons. What is the rate of taxation, and how much must A pay, who has property assessed at \$26,400 and pays for 3 polls?

SOLUTION.—Total tax = \$12,000 + \$2,100 + \$3,000 + \$1,500 + \$650 = \$19,250. The poll tax is \$3,650; therefore, the property tax is \$19,250 - \$3,650 = \$15,600. Total assessed value of property = \$1,375,000 + \$575,000 = \$1,950,000. Rate of taxation = \$15,600 $\div$ \$1,950,000 = .008, or 8 mills per \$1. A's property tax is \$26,400 $\times$.008 = \$211.20; his poll tax is \$3. \$211.20 + \$3 = \$214.20, A's total tax.

For finding the cost of any number of articles or pounds at a stated price per 100, 1,000, or 2,000, use the following rule:

Rule.—At the price per 100, move the decimal point 2 places to the left and multiply; at the price per 1,000, move the point 3 places; at 2,000, move it 3 places and multiply by one-half the price.

Tubs, pails, baskets, etc. are sold at wholesale by the *nest*. A nest of 5 tubs would contain 1 each of 1, 2, 3, 4, 5 gal. Suppose the nest cost \$6. Find the sum of the gal. in the nest. Dividing the cost by the gallons gives 40 ct. per gal. Multiply each tub by this price per gal. to get the proportionate cost.

The selling price of goods bought by the *dozen* and sold separately at 20% profit is instantly ascertained by moving the decimal point, in the dozen price, 1 place to the left. Taking 20% profit as a basis, the price at any other per cent. of profit is found as follows:

To make 60%, add $\frac{1}{3}$	To make 30%, add $\frac{1}{12}$
To make 50%, add $\frac{1}{4}$	To make 25%, add $\frac{1}{4}$
To make 40%, add $\frac{1}{5}$	To make 15%, deduct $\frac{1}{4}$
To make 33 $\frac{1}{3}$ %, add $\frac{1}{6}$	To make 12 $\frac{1}{2}$ %, deduct $\frac{1}{16}$

To find the cost of a single article bought by the *gross*, move the decimal point, in the gross price, 3 places to the left and multiply by 7.

The price per dozen of articles sold *so many for a quarter* is found by dividing 300 by the number sold for a quarter.

INTEREST

SIMPLE INTEREST

Interest is money paid for the use of money belonging to another.

The *principal* is the sum for which interest is paid.

The *rate per cent.* is the per cent. of the principal that is paid for its use for a given time, usually a year.

The *amount* is the sum of the principal and interest.

The *legal rate* is the rate established by law.

Usury is a rate that exceeds the legal rate. The penalty for usury is, in some States, the forfeiture of all interest; in

others, the forfeiture of both principal and interest. In a number of States, no legal notice is taken of usury.

In computing interest, a year is usually regarded as consisting of 12 mo. of 30 da. each. Interest so computed is greater than it should be, unless the time is an exact number of years.

Rule.—To find the interest on any sum, at 6%, for 20 mo., or 600 da., move the decimal point 1 place to the left. For 60 da., or 2 mo., move it 2 places. For 6 da., move it 3 places.

The interest, then, on \$175.36 for 20 mo. is \$17.536; for 60 da., \$1.7536; and for 6 da., \$.17536.

Having found the interest for 6 or 60 da., it is easy, by operations that will suggest themselves, to find the interest for any other number of days.

Rule.—To find the interest at any other per cent. than 6, first find it at 6%; then, divide it by 6 for 1%; by 3, for 2%; subtract $\frac{1}{4}$ for 4%; $\frac{1}{6}$ for 5%; add $\frac{1}{6}$ for 7%; $\frac{1}{4}$ for 8%; $\frac{1}{2}$ for 9%.

EXAMPLE 1.—Find the interest of \$8,368 for 99 da. at 6%.

SOLUTION.—

$$\begin{array}{r} \$83.68 = \text{int. for } 60 \text{ da.} \end{array}$$

$$41.84 = \text{int. for } 30 \text{ da.} = \frac{1}{2} \text{ of } 60 \text{ da.}$$

$$8.368 = \text{int. for } 6 \text{ da.} = \frac{1}{10} \text{ of } 60 \text{ da.}$$

$$4.184 = \text{int. for } 3 \text{ da.} = \frac{1}{2} \text{ of } 6 \text{ da.}$$

$$\$138.072 = \text{int. for } 99 \text{ da.}$$

EXAMPLE 2.—What is the interest at 9% of \$1,264.76 for 49 da.?

SOLUTION.—

$$\begin{array}{r} \$1264.76 = \text{int. for } 60 \text{ da. at } 6\% \end{array}$$

$$632.38 = \text{int. for } 30 \text{ da.} = \frac{1}{2} \text{ of } 60 \text{ da.}$$

$$316.19 = \text{int. for } 15 \text{ da.} = \frac{1}{4} \text{ of } 60 \text{ da.}$$

$$.6324 = \text{int. for } 3 \text{ da.} = \frac{1}{20} \text{ of } 60 \text{ da.}$$

$$.2108 = \text{int. for } 1 \text{ da.} = \frac{1}{60} \text{ of } 60 \text{ da.}$$

$$1032.89 = \text{int. for } 49 \text{ da. at } 6\%$$

$$516.44 = \text{int. for } 49 \text{ da. at } 3\%$$

$$\$1549.33 = \text{int. for } 49 \text{ da. at } 9\%$$

Another rule is: Multiply the principal by the time reduced to days; move the decimal point 2 places to the left and divide this product by the quotient obtained by dividing 360 by the per cent. of interest.

EXACT INTEREST

When interest is to be computed for one or more entire years at a specified rate per year, the fact that 12 mo. of 30 da. each are usually regarded as a year does not affect the result—it is only when months and days, or days alone, become an element of the given time, that the interest is greater than it should be. The average length of a month in an ordinary year is $30\frac{5}{12}$ da., and in a leap year is $30\frac{1}{2}$ da. A day is not $\frac{1}{365}$ of a year, but $\frac{1}{365}$ of a common year, and $\frac{1}{366}$ of a leap year. Hence, 360 da. = $\frac{360}{365}$, or $\frac{72}{73}$, of a common year, and $\frac{360}{366}$, or $\frac{60}{61}$, of a leap year. By the ordinary method of finding interest, the result is either $\frac{1}{73}$ or $\frac{1}{61}$ greater than it should be.

Thus, the interest of \$7,300 for 60 da. at 6%, as found by the usual method, is \$73. In equity it is $\$7,300 \times .06 \times \frac{60}{365} = \72 . That is, each \$73 interest should be \$72.

The following table will be of great assistance in determining the actual number of days between two dates. The table gives the number of days between the same dates of any two months. Thus, to find the number of days between Mar. 12 and Sept. 12 of any year, we find opposite Mar. in the left-hand column and in the column headed Sept. the number 181, the required number of days. Had it been required to find the number of days between Mar. 12 and Sept. 25, we should have found the number of days between Mar. 12 and Sept. 12, or 181 da.; then, subtracting 12 from 25, the difference, 13, must be added to 181, obtaining 197 da., the number of days between Mar. 12 and Sept. 25. Had it been required to find the number of days between Sept. 25 and Mar. 12, we should find opposite Sept. and in the column headed Mar., 181; then, subtracting 12 from 25, we subtract the difference from 181, because 181 da. is the number of days between Sept. 25 and Mar. 25, instead of Mar. 12, which occurs 13 da. earlier. Hence, there are $181 - 13 = 168$ da. between Sept. 25 and Mar. 12. Had Mar. 12 occurred in a leap year, there would have been 1 da. more, or 169 da. between the two dates, on account of Feb. 29.

The table will also be useful in cases where a certain number of days is to be added to a given date. Thus, to find the date of 90 da. after Feb. 18, we see, on referring to

the table, that 89 da. after Feb. 18 is May 18; hence, 90 da. after Feb. 18 is May 19, or, if it is a leap year, May 18. Again, 127 da. after Feb. 19 is June 26; because, referring to the table, 120 da. after Feb. 19 is June 19, and $127 - 120 + 19 = 26$.

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Jan.	365	31	59	90	120	151	181	212	243	273	304	334
Feb.	334	365	28	59	89	120	150	181	212	242	273	303
Mar.	306	337	365	31	61	92	122	153	184	214	245	275
Apr.	275	306	334	365	30	61	91	122	153	183	214	244
May	245	276	304	334	365	31	61	92	123	153	184	214
June	214	245	273	304	334	365	30	61	92	122	153	183
July	184	215	243	274	304	335	365	31	62	92	123	153
Aug.	153	184	212	243	273	304	334	365	31	61	92	122
Sept.	122	153	181	212	242	273	303	334	365	30	61	91
Oct.	92	123	151	182	212	243	273	304	335	365	31	61
Nov.	61	92	120	151	181	212	242	273	304	334	365	30
Dec.	31	62	90	121	151	182	212	243	274	304	335	365

If it is desired to subtract a certain number of days from a given date, the process is simply reversed. To find, for example, the date 120 da. previous to Sept. 21, we look down the column headed Sept. and find opposite May the number 123; hence, from May 21 to Sept. 21 is 123 da., and, therefore, from May 24 to Sept. 21 is 120 da.

COMPOUND INTEREST

If the interest of a principal is added to the principal at regular intervals, to form by each addition a new principal for the next interval, the resulting interest is called *compound interest*.

Thus, if \$100 be placed at compound interest at 6%, with the understanding that the interest is to be compounded annually, the principal will be \$100 for the first year, \$106 for the second year, \$112.36 for the third year, etc.

Most savings banks allow compound interest, although in most States its payment cannot be legally enforced, even though it be specified in a contract.

Unless otherwise stated, interest is understood to be compounded annually. If it be compounded semiannually, one-half the annual rate is taken as the rate; if quarterly, one-fourth the annual rate is taken; etc.

When the time is given in years, months, and days, the interest is compounded for the greatest number of entire periods included in the time, and the simple interest of the last principal is found for the remaining time.

EXAMPLE.—Find the compound interest of \$800 for 1 yr. 9 mo. 20 da. at 6%, interest compounded semiannually.

SOLUTION.—

$$\begin{array}{rcl}
 \$800 & = & \text{prin. 1st 6 mo.} \\
 24 & = & \text{int. 1st 6 mo.} = \$800 \times .03 \\
 \hline
 824 & = & \text{prin. 2d 6 mo.} \\
 24.72 & = & \text{int. 2d 6 mo.} = \$824 \times .03 \\
 \hline
 848.72 & = & \text{prin. 3d 6 mo.} \\
 25.46 & = & \text{int. 3d 6 mo.} = \$848.72 \times .03 \\
 \hline
 874.18 & = & \text{prin. for 3 mo. 20 da.} \\
 16.03 & = & \text{int. for 3 mo. 20 da.} = \$874.18 \times .06 \times \frac{11}{12} \\
 \hline
 890.21 & = & \text{amt. for 1 yr. 9 mo. 20 da.} \\
 800 & = & \text{original prin.} \\
 \hline
 \$90.21 & = & \text{comp. int. for 1 yr. 9 mo. 20 da.}
 \end{array}$$

EXPLANATION.—In 1 yr. 9 mo. 20 da. there are three complete periods of 6 mo. each, and 3 mo. 20 da. besides. Since the annual rate is 6%, for 6 mo. the rate per cent. is 3%. Finding the interest at 3%, and adding the principal for these three periods, gives \$874.18. The amount of this sum for the remaining 3 mo. 20 da. is \$890.21, from which we subtract the original principal. The remainder, \$90.21, is the required compound interest.

COMPOUND-INTEREST TABLE

Years	2½ Per Cent.	3 Per Cent.	3½ Per Cent.	4 Per Cent.	5 Per Cent.	6 Per Cent.
1	1.025000	1.030000	1.035000	1.040000	1.050000	1.060000
2	1.050625	1.060900	1.071225	1.081600	1.102500	1.123600
3	1.076891	1.092727	1.108718	1.124864	1.157625	1.191016
4	1.103813	1.125009	1.147523	1.169859	1.215506	1.262477
5	1.131408	1.159274	1.187686	1.216653	1.276282	1.338226
6	1.159333	1.194032	1.229255	1.265319	1.340096	1.418519
7	1.188686	1.229874	1.272279	1.315932	1.407100	1.503630
8	1.218403	1.266770	1.316809	1.368569	1.477455	1.593848
9	1.248863	1.304773	1.362897	1.423312	1.551328	1.680479
10	1.280085	1.343916	1.410599	1.480244	1.628895	1.790848
11	1.312087	1.384234	1.459970	1.539454	1.710339	1.898299
12	1.344889	1.425761	1.511069	1.601032	1.795856	2.012197
13	1.378511	1.468534	1.563956	1.665074	1.885649	2.132923
14	1.412974	1.512590	1.618695	1.731676	1.979932	2.260904
15	1.448298	1.557967	1.675349	1.800944	2.078928	2.396558
16	1.484506	1.604706	1.733986	1.872981	2.182875	2.540352
17	1.521618	1.652848	1.794676	1.947901	2.292018	2.692773
18	1.559659	1.702433	1.857489	2.025817	2.406619	2.854339
19	1.598650	1.753506	1.922501	2.106849	2.526950	3.025600
20	1.638616	1.806111	1.989789	2.191123	2.653298	3.207136

COMPOUND-INTEREST TABLE

Years	7 Per Cent.	8 Per Cent.	9 Per Cent.	10 Per Cent.	11 Per Cent.	12 Per Cent.
1	1.070000	1.080000	1.090000	1.100000	1.110000	1.120000
2	1.144900	1.166400	1.188100	1.210000	1.232100	1.254400
3	1.225043	1.259712	1.295029	1.331000	1.367631	1.404908
4	1.310796	1.360489	1.411582	1.464100	1.518070	1.573519
5	1.402552	1.469328	1.538624	1.610510	1.685058	1.762342
6	1.500730	1.586874	1.677100	1.771561	1.870414	1.973822
7	1.605781	1.713824	1.828039	1.948717	2.076160	2.210681
8	1.718186	1.850930	1.992563	2.143589	2.304537	2.475963
9	1.838459	1.999005	2.171893	2.357948	2.558036	2.773078
10	1.967151	2.158925	2.367364	2.593742	2.839420	3.105848
11	2.104852	2.331639	2.580426	2.853117	3.151757	3.478549
12	2.252192	2.518170	2.812665	3.138428	3.498450	3.895975
13	2.409845	2.719624	3.065805	3.452271	3.883279	4.363492
14	2.578534	2.937194	3.341727	3.797498	4.310440	4.887111
15	2.759031	3.172169	3.642482	4.177248	4.784588	5.473565
16	2.952164	3.425943	3.970306	4.594973	5.310893	6.130392
17	3.158815	3.700018	4.327633	5.054470	5.895091	6.866040
18	3.379932	3.996019	4.717120	5.559917	6.543551	7.689964
19	3.616527	4.315701	5.141661	6.115909	7.263342	8.612760
20	3.869684	4.660957	5.604411	6.727500	8.062309	9.646291

Compound interest is calculated in actual business by means of a table. The table shows the amount of \$1 at all the different rates, and for all the different times that are likely to occur. Having the amount of \$1 at any given rate and for any number of periods, we multiply it by the number of dollars in any given principal. The result will be the amount of that sum for the given time. If the original principal be subtracted from this amount, the remainder is the compound interest required.

TIME IN WHICH MONEY AT INTEREST DOUBLES

Rate Per Cent.	Simple Interest		Compound Interest	
	Years	Days	Years	Days
2	50		35	1
2½	40		28	26
3	33½		23	164
3½	28	208	20	54
4	25		17	246
4½	22	81	15	273
5	20		14	75
6	16½		11	327
7	14	104	10	89
8	12½		9	2
9	11	40	8	16
10	10		7	100

BANK DISCOUNT

Bank discount is the charge made by a bank for paying a note or other obligation before it is due. This charge is the interest on the amount of the obligation from the time it is discounted until its maturity. This interest is subtracted from the face of the obligation, and its holder receives for it the remainder, which is called the *proceeds*. Hence, bank discount is inequitable, since interest is charged not only on the sum actually paid for the obligation, but also on the discount.

In States where days of grace are allowed, bank discount is calculated for 3 da. more than the time specified in the note. Thus, if a 60-day note for \$1,000 is discounted at a bank, the interest of \$1,000 is found for 63 da., and is subtracted from \$1,000. If the rate of discount is 6%, the holder will receive as proceeds $\$1,000 - \$10.50 = \$989.50$.

It is evident that the owner of the note should receive for it the true present worth of \$1,000 payable in 63 da., or \$989.61. The bank gives him only \$989.50, or 11 ct. less than he should get.

The *maturity* of a note is on the last day of grace. The time of maturity is generally indorsed on the note, thus Mar. 7/10, which means that it matures nominally on Mar. 7, and legally on Mar. 10.

The *term of discount* is the time from the discounting of the note to its maturity.

In the case of an interest-bearing note, the sum discounted is the amount of the note at maturity.

Banks usually require that a discounted note shall be payable at the bank that discounted it, and they rarely discount notes having more than 90 da. to run.

Rule.—I. *If the note bears interest, find its amount at the time of maturity.*

II. *Find the interest on the face of the note, or, if it is an interest-bearing note, on the amount of the note at maturity at the given rate of discount for 3 da. more than the time it has to run until its nominal maturity, and the result will be the bank discount.*

III. *Subtract the bank discount from the face of the note, or from its amount at maturity, and the remainder will be the proceeds.*

EXAMPLE.—Find (a) the discount, and (b) the proceeds, of the following note:

\$484 $\frac{60}{100}$.

Newark, N. J., Oct. 4, 1903.

Sixty days after date, for value received, I promise to pay William Hall, or order, Four Hundred Eighty-four and $\frac{60}{100}$ Dollars, at the Ninth National Bank.

Henry Parshall.

Discounted Oct. 20, 1903, at 6%.

SOLUTION.—(a) Maturity, Dec. 3/6, 1903. Term of discount, 47 da. Discount, \$3.80. (b) Proceeds, $\$484.60 - \$3.80 = \$480.80$.

EXPLANATION.—Sixty days after Oct. 4 is Dec. 3, and 3 da. of grace make the date of legal maturity Dec. 6. From the time of discount, Oct. 20, to Dec. 6 is 47 da., for which the interest at 6% is \$3.80. Subtracting the discount, \$3.80, from the face of the note, \$484.60, gives \$480.80, the proceeds.

EXAMPLE.—The proceeds of a note discounted at a bank for 45 da. at 6% were \$1,488. What was the face of the note?

SOLUTION.—Proceeds of \$1 for 45 + 3 da. = \$.992. Face of the note = $\$1,488 \div \$.992 = \$1,500$.

Rule.—*Divide the proceeds by the proceeds of \$1 for 3 da. more than the given time.*

PARTIAL PAYMENTS

A debt or obligation may be discharged at one payment; or, from time to time, payments in part may be made, and, finally, at a time of settlement, the remainder of the debt may be paid. Now, it is obvious that interest should be allowed on such payments as are made, since interest is charged on the obligation itself. But, if a payment should be less than the interest on the debt since a previous payment had been made, to subtract such payment from the debt with accrued interest would result in increasing the principal. This would be a species of compound interest, that, in many States, is illegal.

When a partial payment of a note is made, the date of payment and its amount are written on the back of the note, and this record of it is called an *indorsement*.

The following rule for partial payments has been formulated by the Supreme Court of the United States, and has been adopted by most of the States:

United States Rule.—I. *Find the amount of the principal to the time when the payment, or the sum of the payments, is greater than the interest then due. From the amount, subtract the payment or the sum of the payments, and treat the remainder as a new principal.*

II. *Proceed in this manner to the date of settlement, and the last amount will be the sum still due.*

EXAMPLE.—

\$1,200.

New York, Sept. 16, 1902.

*On demand I promise to pay John Crawford, or order,
Twelve Hundred Dollars, with interest at 6%, value received.*

Edward G. Carson.

Indorsements: Jan. 1, 1903, \$120; May 7, 1903, \$300; Dec. 22, 1903, \$16; Sept. 19, 1904, \$400. What was due Jan. 1, 1905?

SOLUTION.—

Principal	\$ 1 2 0 0.0 0
Interest from Sept. 16, 1902, to Jan. 1, 1903 (3 mo. 15 da.)	2 1.0 0
Amount	1 2 2 1.0 0
First payment	1 2 0.0 0
New principal	1 1 0 1.0 0
Interest from Jan. 1, 1903, to May 7, 1903 (4 mo. 6 da.)	2 3.1 2
Amount	1 1 2 4.1 2
Second payment	3 0 0.0 0
New principal	8 2 4.1 2
Interest from May 7, 1903, to Sept. 19, 1904 (1 yr. 4 mo. 12 da.)	6 7.5 8
	8 9 1.7 0
Sum of third and fourth payments	4 1 6.0 0
New principal	4 7 5.7 0
Interest from Sept. 19, 1904, to Jan. 1, 1905 (3 mo. 12 da.)	8.0 9
Amount due at time of settlement	\$ 4 8 3.7 9

In this example, 360 da. are considered as 1 yr. The third payment of \$16 is less than the interest due at the time it was made; hence, according to the rule, it is added to the next payment of \$400 and the interest is computed to the time of the fourth payment.

When the time from the date of a note or other obligation is less than a year, settlement is usually made by a method called the *merchants' rule*.

The Merchants' Rule.—I. *By the method of exact interest, find the amount of each of the several payments from the time each is made to the date of settlement.*

II. *Subtract the sum of these amounts from the amount of the obligation from its date to the time of settlement. The remainder will be the amount still due.*

EXAMPLE.—Face of note, \$2,000; rate, 6%; date of note, Dec. 31, 1902; time of settlement, Nov. 15, 1903. Indorsements: Mar. 10, 1903, \$200; June 1, 1903, \$300; Aug. 20, 1903, \$400; Oct. 1, 1903, \$500. What was due at time of settlement?

SOLUTION.—

Principal		\$ 2 0 0 0.0 0
Interest of \$2,000 for 319 da.		1 0 4.8 8
Amount		<u>2 1 0 4.8 8</u>
Amount of \$200 for 250 da.	2 0 8.2 2	
Amount of \$300 for 167 da.	3 0 8.2 4	
Amount of \$400 for 87 da.	4 0 5.7 2	
Amount of \$500 for 45 da.	5 0 3.7 0	
Sum of payments, with interest		<u>1 4 2 5.8 8</u>
Amount due at time of settlement		\$ 6 7 9.0 0

EQUATION OF PAYMENTS

Suppose that A owes B any sum, say \$100, due in 10 da., a second \$100, due in 20 da., and a third \$100, due in 30 da.; there is evidently a time when he may pay B the entire \$300 without loss of interest to either party. Clearly, this time is 20 da. after A incurs the debts. The conditions are that A may retain and use the first \$100 for 10 da., the second \$100 for 20 da., and the third \$100 for 30 da. But, so far as the interest is concerned, the use of \$100 for 10 da. is equivalent to the use of $\$100 \times 10$, or \$1,000 for 1 da.; \$100 for 20 da. equals \$2,000 for 1 da.; \$100 for 30 da. equals \$3,000 for 1 da. A's privilege, therefore, equals $\$1,000 + \$2,000 + \$3,000$, or \$6,000 for 1 da. But \$6,000 for 1 da. is the same as \$300 for 20 da. Expressing this argument more briefly,

\$100 for 10 da. = \$1000 for 1 da.

\$100 for 20 da. = \$2000 for 1 da.

\$100 for 30 da. = \$3000 for 1 da.

\$300) \$6000

20 da.

Average, or equation, of payments is the process of finding the equitable time when payment of several sums, due at different times, may be made in one payment.

The *equated, or average, time of payment* is the time when several debts with different terms of credit may be equitably made in one payment.

EXAMPLE 1.—At a certain time A agrees to pay \$1,000 as follows: \$300 in 30 da., \$200 in 60 da., and \$500 in 90 da. Find the equated time of payment; that is, the time at which the entire debt may be paid without interest and still be fair to both parties.

SOLUTION.— \$300 × 30 = \$ 9000

 \$200 × 60 = \$12000

 \$500 × 90 = \$45000

\$1000) \$66000

66 da.

The whole sum may equitably be paid 66 da. after the obligation is incurred.

EXAMPLE 2.—A man owes \$250 due Mar. 1, \$300 due Apr. 20, \$450 due May 5, and \$500 due June 25. When is the equated time of payment?

SOLUTION.— \$250 × 0 = 0

 \$300 × 50 = \$15000

 \$450 × 65 = \$29250

 \$500 × 116 = \$58000

\$1500) \$102250

68 +

68 da. after Mar. 1, or May 8.

EXPLANATION.—Taking Mar. 1, the time when the first debt is due, as the date of reference, or the time from which to determine the terms of credit, the term of credit for \$250 is 0 da. The term of credit for \$300 is from Mar. 1 to Apr. 20, or 50 da.; for \$450 the term of credit is from Mar. 1 to May 5, or

65 da.; and for \$500 the term of credit is from Mar. 1 to June 25, or 116 da. We multiply each debt by its term of credit, and divide the sum of the products by the sum of the debts. The quotient, 68 da., is the number of days after Mar. 1 when one payment of the whole indebtedness may equitably be made, or May 8.

In the example just given, the length of time between the date when the equated time was computed and Mar. 1 was not stated. This does not matter, since the only effect that would be produced by introducing the number of days between this date and Mar. 1 would be to increase the numbers on the right of the signs of equality, and, since the total debt remains the same, the number of days obtained for the equated time will be increased by an amount just equal to the number of days between this date and Mar. 1, which, of course, does not change the date of settlement. For example, suppose that the equated time was computed 30 da. preceding Mar. 1, that is, on Jan. 29. Then, the first debt falls due in 30 da.; the second, in $30 + 50 = 80$ da.; the third, in $30 + 65 = 95$ da.; and the fourth, in $30 + 116 = 146$ da.

In order, therefore, to find the equated time, proceed as follows:

$$\begin{array}{r}
 \$250 \times 30 = \$7500 \\
 \$300 \times 80 = \$24000 \\
 \$450 \times 95 = \$42750 \\
 \$500 \times 146 = \$73000 \\
 \hline
 \$1500 \qquad) \$147250 \\
 \qquad \qquad \qquad 98.1+, \\
 \qquad \qquad \qquad \text{or 98 da. after Jan. 29.}
 \end{array}$$

But 98 da. after Jan. 29 is the same as 68 da. after Mar. 1. The number of days as computed above is always taken to the nearest integer; that is, if the fractional part is .5 or greater, 1 da. is added. For instance, had the above result been 98.6, the number of days would have been taken as 99.

Rule.—*Taking the date when the first debt is due as the date of reference, find the term of credit for each debt. Multiply each debt by its term of credit, and divide the sum of the products by the sum of the debts. The quotient to the nearest integer will be the number of days from the date of reference to the equated time.*

EQUATION OF ACCOUNTS

Goods are usually sold on credit, the term of credit being commonly 30 da., 60 da., or 90 da. The prices of the goods are fixed for the time on which they are sold, interest being charged if payment is not made at the end of the time specified, and a discount being given if the debt is paid before the end of the term of credit. Now, if one or more payments are made on the bill before it is due, it is evident that a rebate ought to be given the purchaser, or else his term of credit on the remainder of the bill ought to be extended. For example, suppose that Wm. Marshall buys a bill of goods amounting to \$1,525.86 on Jan. 5, on 90 da. credit. The price was so fixed that the seller would not lose anything by selling the goods on 90 da. credit. Suppose that, on Jan. 27, Mr. Marshall pays \$425.40 on account, and on Feb. 24, \$506.62. There still remains unpaid $\$1,525.86 - (\$425.40 + \$506.62) = \593.84 . Mr. Marshall ought either to receive a rebate, or his term of credit on the \$593.84 still unpaid ought to be extended, in order to compensate him for having paid a part of the bill before it was due.

To determine how long the term of credit should be extended, we reason as follows: The first payment was made 22 da., and the second payment 50 da., after the goods were bought. Hence, Mr. Marshall lost the use of \$425.40 for $90 - 22 = 68$ da., and of \$506.62 for $90 - 50 = 40$ da.; or of $\$425.40 \times 68 = \$28,927.20$ for 1 da., and of $\$506.62 \times 40 = \$20,264.80$ for 1 da. Consequently, altogether he lost the use of $\$28,927.20 + \$20,264.80 = \$49,192$ for 1 da. Therefore, to make things equal all around, the term of credit on the \$593.84 still unpaid should be extended $49,192 \div 593.84 = 83$ da., and the date of settlement should be $90 + 83 = 173$ da. after Jan. 5, or June 27.

In equation of payments, only one side of the account is considered, the items being either all debits or all credits; but, when both sides of the account are considered, the process of finding the equated time is called *equation of accounts*. In averaging accounts, the method of finding the equitable date of settlement is nearly the same as

in equation of payments. The method is shown in the following examples:

EXAMPLE.—Find the equated time for the settlement of the following account:

HENRY WARDELL

1903

1903

Jan.	20	Mdse., 30 days,	800		Mar.	1	Cash,	400
Feb.	18	" 90 "	600			20	"	600
Mar.	14	" 60 "	1000		Apr.	1	"	1000
Apr.	10	" 30 "	1200			20	"	500

SOLUTION.—The earliest bill to become due is that for the goods purchased Jan. 20 on a credit of 30 da. The most convenient date of reference is therefore Feb. 19, or 30 da. after Jan. 20.

Feb. 19,	800	$\times$	0	=	0	Mar. 1,	400	$\times$	10	=	4000
May 19,	600	$\times$	89	=	53400	Mar. 20,	600	$\times$	29	=	17400
May 13,	1000	$\times$	83	=	83000	Apr. 1,	1000	$\times$	41	=	41000
May 10,	1200	$\times$	80	=	96000	Apr. 20,	500	$\times$	60	=	30000
	3600				232400		2500				92400
	2500				92400						
	1100				140000						

127

Average term of credit, 127 da.

Equated time, 127 da. after Feb. 19, or June 26.

EXPLANATION.—As in equation of payments, the debts are multiplied by the number of days from the date of reference to the dates when they respectively become due. It is most convenient to take as the date of reference (usually called the *focal date*) the date when the first debt becomes due; or, if a payment is made before the first debt becomes due, take the date of the first payment as the focal date. The same operation is performed on the payments, using the same focal date. The sum of the credits is then subtracted from the sum of the debits, the sum of the products on the credit side from the sum of the products on the debit side, and the second remainder is divided by the first remainder.

EXAMPLE.—When should interest begin on the balance of the following account:

HENRY WELLINGTON

1902				1902			
June	16	Mdse.,	1200	July	21	Cash,	500
July	21	"	1000	Aug.	11	"	1200
Aug.	13	"	2000	Sept.	30	Draft, 30 days,	1600
Sept.	15	"	3600	Sept.	20	" 10 "	2400

SOLUTION.—We take June 1 as the focal date, because the first day of the month is easier to handle than a later day. Days of grace are allowed on the two time drafts, because no state is mentioned in the example.

$1200 \times 15 = 18000$	$800 \times 50 = 40000$
$1000 \times 50 = 50000$	$1200 \times 71 = 85200$
$2000 \times 73 = 146000$	$1600 \times 123 = 196800$
$3600 \times 106 = 381600$	$2400 \times 124 = 297600$
7800	6000
595600	619600
6000	595600
1800	1800) 24000
	13 + da.

We find the products of the items and number of days as in the two previous examples. It will be noticed that the sum of the products on the credit side is greater than the sum of the products on the debit side, while the sum of the payments is less than the sum of the debts. We divide the difference between the sums of the products by the difference between the sum of the debts and the sum of the payments, obtaining for our result 13 da. Now, instead of *adding* this 13 da. to the focal date, we subtract. The reason for subtracting will be evident when we consider that the last three payments were made a comparatively long time after the merchandise was bought. In other words, the merchant lost the use of the money due him in payment of the goods for a time equivalent to the difference between 13 da. preceding June 1 (or May 19) and the date of settlement, and he should receive interest on \$1,800 for this time. If, however, the sum of the

products on the credit side had exceeded the sum of the products on the debit side, and the sum of the payments had exceeded the sum of the debts, the number of days obtained would have been *added* to the focal date, as in the two preceding examples. Hence, the interest on the balance of the account should begin on May 19.

Rule.—*Find the date on which each item of the account matures, and take the first day of the month in which the earliest of these dates occurs as the focal date. Find the number of days between the focal date and the date of maturity of the different items, and multiply each item by the number of days so found. Divide the difference between the sums of the products by the difference between the sum of the debts and the sum of the payments, and the quotient will be the equated time. If the greater sum of the items and the greater sum of the products are both on the same side of the account, add the equated time to the focal date. But, if the greatest sum of the items and the greatest sum of the products are on opposite sides of the account, subtract the equated time from the focal date. The result obtained by adding or subtracting the equated time from the focal date will be the date when the balance of the account is equitably due.*

This method of averaging accounts is in more general use than any other, and it will probably be found advisable to stick to one method instead of sometimes using one process and again another.

BUSINESS FORMS

MAKING DEPOSITS

Pass Book.—On opening an account with a bank, the depositor is given a pass book, which is the evidence of his deposit. The name of the depositor and the number of his account is written on the cover and also on the inside. It contains the rules of the bank and often the entire set of by-laws. It usually gives other information also, such as the names of the officers, etc.

The pass book should always be taken to the bank when a deposit is made, when papers are left for collection, and when papers are discounted and the proceeds are to be

placed to the credit of the depositor. It should be balanced at least once every month and should be left at the bank for that purpose. After you have made your deposit, and the bank has given you a pass book with the amount of your deposit entered to your credit, you will then receive a check-book.

The pass book is surrendered to the bank when an account is closed and is filed away with the books of other closed accounts.

Signature Slip.—Each depositor is required to sign a signature book or card when he opens an account at a bank.

FROM	ADDRESS
<i>Warren E. Smith, 16 Lackawanna Ave.</i>	
TO INTERNATIONAL CORRESPONDENCE SCHOOLS BANK, OF SCRANTON, PA.	
Below please find duly authorized signature, which you will recognize in the payment of funds or the transaction of other business on my account. Yours truly,	
<i>Warren E. Smith</i>	
BUSINESS	INTRODUCED BY
<i>Provisions</i>	<i>O. T. Willis</i>
DATE	
<i>April 1, 1900</i>	

The book or card is used by the bank to keep a record of the address and signature of each depositor.

In signing, the depositor writes his full name, his address, and his signature as he habitually writes it. The style of signature should never be changed, and all business papers should be signed exactly as the signature is written in the book or on the card.

Mark Signature.—When for any reason a person cannot sign his name, it is usual for him to *touch the pen* or make

a cross in a signature some one has written for him. Such signatures should be witnessed by a disinterested party.

His
G. N. X Roberts
Mark.

B. Matthews, Witness.

Deposit Slip—A deposit slip is furnished by the banks, so that each depositor may fill out and present, with his pass book, an itemized statement of the different items for deposit, as shown by the deposit slip on the next page.

Checks.—A check is a draft or order for money drawn by a depositor on his bank. Never draw a check unless you have money on deposit to meet it when presented. Checks should be numbered consecutively, so that each can be accounted for. Have a check-book, and never use loose blank checks.

Payment on a check can be stopped any time before it is presented by notifying the bank, giving full particulars

	Scranton, Pa. Feb. 6, 190__	No. 22
International Correspondence Schools Bank OF SCRANTON.		
Pay to the order of <u>Edward Hastings</u> \$ <u>25.00</u> <u>Twenty-five</u> Dollars <u>Warren E. Smith</u>		

concerning it. Payment cannot be stopped on a certified check.

Frequently compare your bank pass book and check-book, so as to detect any errors and avoid unintentionally over-drawing your account.

Certified Check.—A certified check is a common check that has been certified by the cashier of the bank on which it is drawn; that is, he has written or stamped across its face,

DEPOSITED BY

Warren E. Smith.

IN THE

International

Correspondence Schools Bank.

Scranton, Pa.,

April 7,

190

	DOLLARS	CENTS
NOTES,		
do. 1's and 2's		
GOLD,		
SILVER,		
CHECKS: (In Scranton, name the Bank; out of town, name the place)		
<i>City Bank,</i>	<i>97</i>	<i>75</i>
<i>Pittston,</i>	<i>64</i>	<i>80</i>
	<i>162</i>	<i>55</i>

usually with red ink, the word *certified*, the date, and his signature.

The certifying of a check is the same as accepting a draft, and makes the bank responsible for its payment, and not the drawer. Remember, that when you have a check certified it is at once deducted from your account; therefore, if you do

	Scranton, Pa. Feb. 16, 190...		No. 2
	International Correspondence Schools Bank OF SCRANTON.		
	Pay to the order of <u>Edward & Hastings</u> \$ <u>25.00</u>		
	<u>Twenty-five</u> Dollars		
	<u>Warren E. Smith</u>		

not use it, you must deposit it to your credit before it can again be added to your account.

Certificate of Deposit.—A certificate of deposit is a written acknowledgment of a bank that it has received from the person named a sum of money as a deposit, subject to withdrawal on demand and on surrender of the certificate. Generally, persons holding certificates of deposit are not allowed to draw a check for all or any part of it.

	Scranton, Pa., April 1, 190	
	Received of <u>Warren E. Smith</u>	
	<u>Thirty</u> ¹⁰⁰ Dollars,	
	<u>April rent of store #16 Lack-</u> <u>awanna Ave.</u>	
	<u>\$30.00</u> <u>O. T. Willis.</u>	

Receipt.—A receipt is a written acknowledgment of having received a specified value, with the date, source of receipt, signature of the party that received the value, and, such other particulars as may be necessary to make it plain and unquestionable.

NOTES

Note.—A note is an absolute promise, in writing, to pay on a certain date, or on demand, a specified sum of money to a person named therein, or to his order, or to the bearer, and is signed by the maker.

Warren E. Smith.	\$105. ⁰⁰ / ₁₀₀	Scranton, Pa.	April 13, 190
	Five days after date I promise to		
	pay to the order of John Hayden		
	One hundred and five ⁰⁰ / ₁₀₀ Dollars		
	with interest at _____ per cent. per annum.		
at International Correspondence School Bank			
Value received			
No. 1. Due April 18, Warren E. Smith			

Joint Note.—A joint note is one signed by two or more parties and reading, "We promise to pay." It is supposed that each party to the note has been equally benefited; therefore, only his proportionate share can be collected from each.

A joint-and-several note reads, "We jointly and severally promise to pay." In this form of note, the makers are united in the obligation, and the payee can collect from all the makers together, or the entire face of the note from any one of them, if he is worth that amount.

Protests.—Have all notes in your favor made payable at a bank; then, a few days before they become due, if not previously discounted, deposit them for collection. The bank will then see that they are properly presented when due, and protested if not paid.

Protesting is a formal statement made by a notary public that the paper was presented for payment and payment refused. A notice of protest is sent to the maker and to each indorser. If there are indorsers and no protest is made, the indorsers, in some states, are released. When there are no indorsers, it is quite common to waive protest by writing on the back of such paper "Protest Waived."

Unless inscribed with the words "with interest," notes do

not draw interest until after maturity; but if not paid at maturity, they draw interest at the legal rate until paid.

Due Bill.—A due bill is a written acknowledgment of something due from one party to another. They are not usually made payable to order, are frequently without a date, and seldom mention the name of the place or state.

DRAFTS

Sight Draft.—A sight draft is a draft drawn by one person on another, and payable on presentation, or at sight. They are treated as cash by those receiving them.

Time Draft.—Time drafts are drawn payable a certain number of days after sight and must be accepted by the party on

EARLY & WALTERS	\$ 64. ³⁷ / ₁₀₀	Scranton, Pa.,	March 24, 190
	At sight		Pay to the
	Order of International Correspondence Schools Bldg.		
	Sixty-four & ³⁷ / ₁₀₀ Dollars		
	with exchange.		
Value received and charge to account of			
To J. D. Hamlin		Early & Walters	
No. 9, 15 Spruce St.			
Walter B. B. B.			

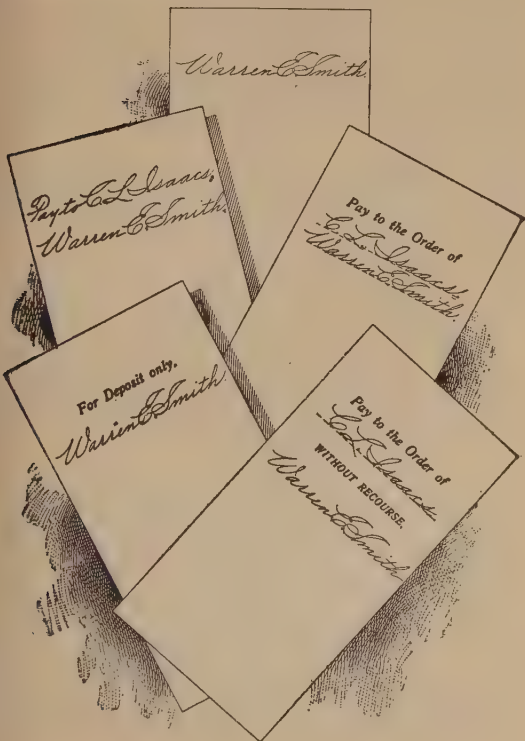
whom they are drawn. Acceptance is shown by writing across its face, usually in red ink because of its prominence, the word *accepted*, the date, and the signature of the acceptor. The due date is figured so many days after the date of acceptance, and not after the date on which it was drawn.

Often there is seen attached to the end of drafts a slip reading, "No Protest. Take this off before presenting." This informs the banker that the drawer does not wish the paper protested, and is done so that if the paper is not accepted, the drawer will not have to pay the protest fees.

Bank Draft.—For convenience and safety in making remittances from one part of the country to another, in funds that are at par, and yet without actually transferring the cash, bank drafts are bought from local banks and forwarded, instead of using checks, etc.

INDORSEMENTS

Familiarity with the proper forms for indorsing checks, notes, drafts, etc. is of importance to everybody, and especially to bookkeepers and clerks. The accompanying illustration



shows the most common forms, and the numbered paragraphs explain their use.

1. This is a blank indorsement, and paper so indorsed by the party in whose favor it is drawn becomes payable to the bearer.

2. Papers indorsed in this manner will be paid only to the party named, and cannot be transferred by him, but must be deposited to his account, or collected in person.

3. This form of indorsement allows a further transfer of the paper only by the indorsement of the party named, and thus forms a direct receipt showing that such a person received the paper.

4. This is the proper form of indorsement when papers are sent for deposit by mail or messenger, for they cannot then be put to any other use. Frequently the name of the bank in which they are to be deposited is given, as "For deposit only in the First National Bank of Scranton, Pa." Indorsements of this kind are frequently made with a rubber stamp, the signature being included in the stamped indorsement.

5. This form of indorsement is one that releases the indorser from liability in case the paper is not paid. It is seldom used, however, because, except in a very few cases, the holder of a paper must indorse it and assume liability for his indorsement, or he cannot find any one to whom he can turn over the paper, except for collection.

PRICE BOOK

Cipher Marks.—In large manufacturing or wholesale establishments, and sometimes in others, it is customary to have a price book, which shows the quotations given each customer; the prices are often entered in this book in *cipher*. In retail stores, it is the custom to mark each article, so far as possible, with the cost and selling prices. The cost price is always given in cipher, and very frequently the selling price also. These private, or cipher, marks consist of a series of 10 letters that may or may not spell a word, and an extra letter or character used as a repeater, which prevents the necessity of repeating one of the other letters in such combinations as 22, 33, etc.

The following are words frequently used as private marks:

b l a c k h o r s e
c a s h p r o f i t
h a r d m o n e y s
i m p o r t a n c e
 1 2 3 4 5 6 7 8 9 0

x is a repeater.

To write a ticket using the first word to express the cost and selling price of an article bought for \$1.90 and to be sold for \$3.25, the proper form would be

b s e
a l k

Another good device, and one that is largely used by business houses, is shown herewith. It may be arranged in

1	2	3
4	5	6
7	8	9

O - *Cipher*



X - *Repeater*

many different combinations. O is used for the cipher and X for the repeater. By this combination, \$1.99 and \$3.25 would be written as shown.

INVOICES

An invoice is an itemized statement of the quantities, prices, and amounts of articles sold by one person to another, with the date of sale, terms, and discount allowed, if any, etc. It should be made out in a clear and comprehensive manner and itemized so that a person of ordinary intelligence can check up the bill and tell in detail exactly what articles and values it represents. Care should be taken to have the writing plain, so that no mistakes will occur in reading them. The characters @ and \$ need not be used in making out bills; they are unnecessary to a clear understanding of the bill, and take up valuable space and time.

Invoices received should be numbered consecutively, and when paid should be filed in numerical order. If this is

CARD SYSTEMS

One great point in office work is to show as great results as possible with the least labor, and to have these results always ready for reference. For the attainment of this end, the *card-index system* is, without doubt, the greatest labor-saving device yet invented for office work. It is now used for almost every purpose and line of work that requires the keeping of memoranda. Some of these applications are herewith shown.

PROSPECTIVE CUSTOMER	
Amos Manufacturing Co.	
ADDRESS Talkaska, Wis.	
MAN TO SEE E. O. Amos	
PROSPECTS	
8/14	Has matter under consideration
9/16	Has considered somewhat, and is interested
CALL AGAIN 9/15 11/16	
CALLED 8/14 9/16	
WRITTEN 8/16	
REMARKS Quoted special discount	

Following Prospective Buyers.—All successful business men, agents, and salesmen appreciate the value of “keeping everlastingly at” a prospective buyer, and also the great value of any mechanical device that will help them to do so. Nothing better can be found than a card system arranged by dates. Given a little care and attention, it becomes almost human in the regularity with which it brings before the user, at the opportune time, names and records of those buyers that should be seen or written. The cards become records

of all that the agent has done to secure sales and the results, and also show what efforts have been the most effective.

Buying.—The use of a card system for buyers for keeping quotations is superior to any book, no matter how carefully devised. The value of such a system as a time saver cannot be overestimated, and should be in much more general use than it is. By the card shown a complete record is kept of all quotations received and there is no possibility of overlooking one or more quotations from different firms for the same line of goods. As will be seen, the card gives the date on

ARTICLE		PER	
Envelopes #6 $\frac{3}{4}$ - #2 Rag xx		1000	
DATE	NAME AND ADDRESS	PRICE	TERMS
10/8	W.A. Stow Grand Rapids, Mich	93	60-2 $\frac{1}{2}$ -10
10/11	W.C. Jupp Detroit, Mich	92	30-2 $\frac{1}{2}$ -10
10/12	H.C. Butler Paper Co. Chicago	94	30-2 $\frac{1}{2}$ -10
10/16	J.E. King Co. Chicago	95	60-3 $\frac{1}{2}$ -10

which a quotation was received, and the name and address of the party making it, together with the prices, terms, and conditions. By old methods, considerable time was required to collect this information when it was needed, while with the card system it is immediately available in compact form, and the comparisons of prices can be made at a glance. As these cards are indexed, the hand can be placed instantly on all quotations for any line of goods. Not only does the record become a comparison of the quoted prices of the houses dealt with, but also a directory of the makers and

sellers of the kinds of goods used, which is of great value in soliciting prices.

Instalment Accounts.—A book or ledger is not as suitable as cards for keeping accounts of small payments, particularly if the charges are apt to be few. Arrange the cards alphabetically, according to debtors' names, or by dates according to the time the next instalment is due. When an account has been paid in full, the card is withdrawn and only live accounts remain. This enables you to watch your live accounts very closely, and not overlook any when due. A glance at a card

The card is part of a stack, with tabs labeled HQ, HZ, K1, K2, LA, and LM. The card itself has a header section with fields for NAME, ADDRESS, CONTRACT NO., AGENT, and DATE. Below this is a section for PAID DOWN and TERMS. The main body of the card is a table with columns for DATE, DESCRIPTION, and BALANCE. The card is filled out with the following information:

NAME: *James Hunt* ADDRESS: *410 Green St. City*
 CONTRACT NO.: *7081* AGENT: *James* DATE: *6/10/1*
 PAID DOWN: *\$5.00* TERMS: *\$2.00 a week*

DATE	DESCRIPTION	BALANCE
6/10	Contract above	27.00
6/10		5.00
6/30		2.00
7/31		2.00
6/17		2.00
7/1		2.00
7/15		2.00
7/15		2.00
		18.00
		12.00

At the bottom of the card, there is a section labeled "OVER" and a small circular logo.

shows just how the account stands, and a record kept in this way is better adapted and more convenient in every respect than a ledger. Cards transferred from the active to the inactive account file may be put back again into the active file if the same party buys more goods on the instalment plan, which method has the advantage of one or more cards containing a complete record of one person's dealings with a firm instead of having them scattered over several ledger pages.

Collecting.—"Short accounts mean long friends." A careful man mistrusts his own and his debtors' memories and must

have some sure method of bringing due accounts to his attention at the proper time. Lack of method in this particular has frequently caused losses that might have been avoided by a good system. Debtors are quick to note and take advantage of the carelessness of creditors in following up their due accounts. The illustration shows an excellent card system for keeping track of these. The cards representing the accounts are filed ahead from time to time as promises of payment are made, and thus the unpaid accounts are regularly brought to mind until paid or finally disposed of. This filing ahead is

NAME		RATING	
Heermans Son & Co		\$500 to \$1000.00	
ADDRESS Saginaw Falls Miss			
TERMS 30 days net less 3% 10 days			
DATE OF INVOICE	AMOUNT	ACCOUNT DUE	
4/8/	\$67.50	5/8/	
STATEMENTS SENT	5/8/	6/1/	WILL DRAW
MADE DRAFT	6/10/	6/20/	THROUGH
DELINQUENCY DATE	6/10/	6/21/	RETURNS
Coll. Post.		7/2/	WRITTEN
PLACED FOR COLLECTION		FINAL DISPOSITION	
R. L. Dun & Co 7/24			

best done in an index having a division for each month and every day of the month. A card is placed in the division for the day on which the account is due, and if the account is not settled, the card is filed ahead day by day until it is settled or otherwise disposed of. If an account or promise is not due in the month on which we are working, the card should be filed in the division for the month in which it is due, and refiled as we begin business for that month.

Keeping an Inventory.—Have a record of everything you own. If your house, or store, or office burned, you should have a

correct list of the contents and the correct value of each article. If you were to sell any part of your belongings, would it not be of help to you to know the original cost and all subsequent repairs and improvements? Such records can be kept on cards better than in books, for they are constantly changing, and a book soon becomes cluttered with useless matter, and the contents must be copied.

The illustration herewith shows a card for keeping an inventory of property. It provides for all necessary or desirable information, such as a description of the article, date

SA BH		BI BRI		BRO BZ		CA CI		CL CON	
NAME					SIZE				
Bath Tub. Folding					6ft				
DESCRIPTION									
For use on second floor									
MADE BY					BOUGHT FROM				
Gray Bros. Peterson, Lansing					J. Smith & Co., Kansas City				
DATE					ORIGINAL COST				
May 3					\$54.00				
IMPROVEMENTS									
March 4 Added water heater \$16.50									
REMARKS									
When we get another buy size 6 1/2									

of purchase, original cost, etc., which information should always be at the command of every person that carries insurance, whether or not he is a business man. The importance of keeping such a record is not so generally understood as it should be. In case goods are destroyed by fire the insurance companies are likely to ask for an accurate inventory and the correct value of each article. Such data would be difficult to supply after the property had been destroyed, and even if this were possible its correctness might be questioned. The card shown provides for all information required.

Indexing Ledgers.—Book indexes to ledgers are cumbersome. They rapidly become filled with useless names and therefore are not permanent. If cards are used, two indexes can be maintained, both arranged alphabetically: one for names of persons having open accounts in the books, and one for those whose accounts are closed. Each person is allowed a card, and on this is entered the ledger page number and brief memorandum of your past experience of how they pay you and what you learn of how they pay others. The system soon becomes an accurate guide for your charge or credit clerk.

AA to AM		AN to AZ		BA to BH		BI to BL	
NAME <i>John Adams</i>				LEDGER PAGE <i>291</i>			
ADDRESS <i>314 West Water St. City</i>							
EMPLOYED BY <i>Hayes's Lumber Yards</i>				DATE <i>7/8</i>		ESTIMATED INCOME <i>\$12.00 weekly</i>	
<i>Eathorpe</i>				<i>8/4</i>		<i>"</i>	
REPUTATION FOR PAYING <i>Has no credit for five years. Always paid but slow</i>							
<i>Smith Co. Pays promptly every Saturday for groceries</i>							
PAID US IN THE PAST <i>Slow but no disputes!</i>				LIMIT OF CREDIT ALLOWED <i>\$20.00</i>			

Card Ledgers.—The card ledger is the sensible ledger for all kinds of accounts. It is as well adapted to a large concern with complicated accounts as to the simple accounts of the store, office, or home. Only open accounts are handled in the current index, the old accounts being transferred to a second index contained in the same drawer. With this system, the accounts are kept together from beginning to end—not scattered through a half dozen pages. Posting from journal and cash book is rapid on account of this quick reference and the absence of old accounts. It is never necessary

to open a new ledger, but simply to add new cards as occasion demands. Among the many advantages of this system over books are the following: Elimination of closed accounts, leaving the ledger in daily use composed entirely of active accounts. Account numbers are always the same, instead of being constantly changed by transfer, as is the case in books. Each account is by itself on one or more cards, instead of being scattered over several ledger pages in different parts of a book. The use of cards tends to prevent mistakes in posting, as the card may be placed directly under

OPEN ACCOUNTS									
WA					WH		XYZ		
WE					WY				
Watson - John 191 E. 4 th St. Albion, Mich.									
DATE	DESCRIPTIVE	DR.	DATE	DESCRIPTIVE	CR.				
8/14	1 doz ^o Sockets	4 80	9/15	By Cash	60 21			6 90	
	1 st Socket	60							
9/8	4 doz. Bells	80							
	1 st Socket	70							

the item to be posted and the bookkeeper does not have to carry any figures in his head. Every possible classification of accounts may be made and their classification changed at any time and without trouble or rewriting. By this system, there is no opening of new ledgers, while there is convenience in adding new or removing old accounts, and there is greater facility in posting and making out statements.

Following Inquiries.—Advertising is growing more and more each year to be an important factor in the success of the

modern business institution. But a few years ago it was scarcely possible to see a bank advertisement, while now days all progressive banks advertise freely some specialty or convenience to attract depositors to their counters. While every business is not of such a nature as to produce many inquiries by mail, all receive more or less requests for additional information, and to secure profitable returns from these inquiries they must be followed up very closely. There must be an efficient system for this and the advertiser should know what mediums are bringing returns.

IOWA

D OR G T U

TOWN _____ STATE _____

NAME *Putman* LOCAL ADDRESS *Iowa*

BUSINESS *Marion Campbell* RATING *310 West St*

Dealer in Boots & Shoes *5-10 M. Good*

LITERATURE SENT				FORM LETTERS SENT			
1	2	3	4	5	6	7	8
3/10	4/15	10		3/10-8	6		8
	6/10	7		3/14-7/10	6		10
3/20		12		4/1/100	6		16

SPECIAL LETTERS

4/15-17mo-6/10-

ORDERED

SOURCE *190-6705-7095-783*  DATE *2/10/1*

Murray

No system including the use of books can be made to work successfully. With the card system, each inquirer is given a card. These cards are arranged alphabetically and they furnish information that helps in placing profitable advertising. These cards are the best possible form of mailing list, both on account of the ease with which changes can be made and the convenience for addressing, it being possible to subdivide the list and distribute it among any number of clerks.

Cost of Production.—Up to within a comparatively short time the subject of the ascertainment of the cost of production

received but scant consideration, nearly every factory having its own method, and all were more or less crude, hence there was generally considerable doubt as to the accuracy of the figures. With the more keen competition of late years, however, there came a demand for some reliable method of ascertaining cost, and managers and bookkeepers became interested in solving the problem. At first thought, this might seem to be an easy matter, but it was not while the ordinary books were used, and it was only when the card system came into use that much progress was made.

OPERATION	QUANTITY	UNIT	PRICE	TOTAL	MATERIAL	QUANTITY	UNIT	PRICE	TOTAL
casting	25	lbs	11	275	CASTING	25	lbs	11	275
turning	12	lbs	17	210	WROUGHT IRON	116	lbs	2	232
drilling	8	lbs	25	200	MACHINE STEEL	200	lbs	1	200
grinding	5	lbs	20	100	TOOL STEEL	100	lbs	1	100
bolting	1	lbs	66	66	BOLTS	66	lbs	1	66
miscel	41	lbs	89	89	SCREWS				
TOTAL COST				275	MISCEL				
TOTAL COST				1255	TOTAL COST OF MATERIAL				275

The card system is adapted for collecting records for ascertaining factory costs, because details entered on cards may be collected, arranged, and rearranged without rewriting. Factory requirements and systems vary to such an extent that no iron-clad system can be outlined. The card illustrated is simply a suggestion. It is very essential that every manufacturer should keep a record of all material and supplies bought, and the manner in which they are used. A card record properly kept will show at a glance what stock there is on hand, how it is being used, and in what

quantities, and enables the stock keeper to figure closely as to the quantity necessary at one time for use in any particular line of work. A record of this kind very materially simplifies the taking of an inventory. A record of the tools used on any special order may also be kept on these cards and will be found worth many times the cost of the record.

Sales Agencies and Branch Offices.—More effective and profitable work can be done by salesmen and branch offices if a system of following up trade closely is maintained. "Keeping

KA
KH
KI
KO
KR
KZ

J

NAME *Innes Mfg Co* BUYER *J E Jackson*

ADDRESS *108 Michigan Building City* PHONE *At 1081*

TERMS *60 days net - 3% 10 days* RATING *100-150 H. First*

CALLS AND QUOTATIONS

ARTICLE	QUANTITY	PRICE	WHEN SEEN	BY WHOM	BOUGHT OF AND WHY	AGAIN IN MARKET
<i>1 1/2 shaft</i>	<i>20 feet</i>	<i>4.00</i>	<i>3/4</i>	<i>3/4</i>	<i>Mix Smith & Co price</i>	
<i>2 belling</i>	<i>430</i>	<i>50-10%</i>	<i>1/5</i>		<i>ourselves</i>	<i>Hangers about 1/10</i>
<i>4 Hangers</i>	<i>20</i>	<i>3.00</i>	<i>1/10</i>	<i>1/11</i>	<i>Parnes Bradner Co</i>	

FOR EACH ORDER FOR MATERIALS, REQUISITES, ETC. OVER

everlastingly at it" is sure to bring sales. The card system is useful for this purpose, because each customer and prospective customer in the territory is given a card. On this card is entered all information received, thus making it a valuable record for old, as well as for new, employees. The cards may be arranged alphabetically or by locality. Such a system is well suited for keeping in the briefest manner possible the important information affecting customers' credits. It saves looking through a mass of correspondence and reports when passing on a credit. Complete reports may be kept in other

files, but the most important facts should be kept in a file of this kind for convenient reference.

Quotations Given.—A record of quotations given prevents confusion and settles disputes. Each customer is given a card on which are entered the various quotations as made and the orders as received. The cards are filed between

HEA
HEB
HEC
HEF
HEG
HEH
HEI
HEJ
HEK
HEL
HEM
HEN
HEO
HEP
HEQ
HER
HEZ
HEA
HEB
HEC
HEF
HEG
HEH
HEI
HEJ
HEK
HEL
HEM
HEN
HEO
HEP
HEQ
HER
HEZ

NAME *Herald Jones & Co* NAME OF BUYER *Al W Jones*
 SHIPPING ADDRESS *Muscatine, Iowa* FGT RATE
 BUSINESS *Wholesale Grocers* REFERENCE *C L 38* *C L 54*
35 50 Mt. Pleasant Benton National Bank

DATE	ARTICLE	SIZES AND Q. AND	QUANTITY	PRICE	TERMS	ORDERS IF NOT WHT
8/10	Letter heads	8 1/2 x 11 20" Apr	10,000	24 00	60 net 3% 10	Stock too heavy
8/10	"	" 16"	"	21 20	"	Went cheaper stock
8/10	"	" - Rome	"	16 80	"	1/10
8/10	Envelope	6 1/2 x 9 1/2 Bag 18	25,000	37 50	"	Stock too expensive
8/10	"	" 2	"	30 00	"	Bought Wm L G
8/10	Letter heads	8 1/2 x 11 20" Apr	5,000	10 00	"	Conflicting calculations
"	"	" - Rome	"	8	"	offered Al W Jones
2/10	Bill heads	7 1/2 x 24" Prepress	"	12 50	"	1/10

THE CARD SHOWN IS BEING CANCELLED. NEW

guide cards arranged alphabetically or by locality. These records are of great assistance in determining probable prices to secure orders from customers quoted in the past.

NUMERICAL SYSTEM OF FILING

The use of letter files indexed with numbers instead of letters does away with so many of the mistakes common to the latter system that it seems destined to become the popular method for filing correspondence. The same letter-file cabinets are used in both cases. In the *numerical system* each file drawer contains an index of 25 leaves, the tabs in the first drawer being numbered from 1 to 25, those in the second from 26 to 50, and so on up through each drawer of the cabinet.

All correspondence being filed by number, there must be an

index that will tell under what division to file the correspondence of any particular firm.

The index is usually in the form of cards arranged alphabetically, a card and a number being assigned to each firm. The illustration is a facsimile of such a card.

Sometimes correspondence is received from a firm signed by some one connected with the firm instead of with the firm name. Of course, all such correspondence should be filed with that of the firm. Write a card for the person signing and give it the same number as that of the firm, and on

NAME	<i>The Colliery Engineer Co.</i>	File No.
See also		<i>239</i>
	<i>J. J. Foster, President.</i>	

NAME	<i>J. J. Foster, President</i>	File No.
See also		<i>239</i>
	<i>The Colliery Engineer Co.</i>	

this card give the firm name; also, on the firm card give the name of the writer (see illustration).

To find the correspondence of any party is but the work of a moment.

Some of the advantages of the numerical system of filing over the alphabetical are as follows:

Less liability to make mistakes in filing.

Quicker reference to all the correspondence of one party.

Correspondence will not become divided by a writer signing some communications personally and others in the company name.

The letters from each firm are all together, instead of being mixed with those of other firms having the same alphabetical letter.

All correspondence is filed in the order of its receipt; the last letter written or received is always found first under that division.

In addition to being an index to the files, the record cards can be made to show such information as rating, limit of credit, orders received or given, promptness of payments, circular matter sent, prices quoted, and much other information.

GUIDE CARDS

Guide cards are of the same size as other cards, but have a $\frac{3}{4}$ -inch extension on which are printed the headings that are required for subdividing the card list for convenience of reference. They are made of exceptionally tough, heavy stock to withstand the frequent handling, and come in sets with extensions cut in fifths, fourths, thirds, halves, or full center cut.

When properly placed in drawers or trays, the extensions alternate so as not to interfere with one another in any way, and reference to the cards filed under any particular heading can be had almost at a glance.

In large lists a greater separation of subjects, and consequently increased facility of reference, can be had by using two or more sets of different colors in one drawer.

The card index is put to so many uses that it is impossible for the makers to keep on hand guides for every requirement, but blank guides can be had and filled in with headings for any classification desired.

TABLE OF WAGES

The following tables show the amount of wages to be paid per day or week at 8, 9, and 10 hr. per day at from 50 ct. to \$5 a day, and from \$3 to \$27 a week.

The manner of using the tables is so simple that an explanation seems unnecessary. Bookkeepers, pay-roll clerks, and all who figure wages will find these tables of great help and savers of valuable time and labor. The clerks in most large offices always use similar tables when making up pay rolls.

TABLE OF WAGES

Per Day	Ten-Hour Day										3.50	3.75	4.00	4.25	4.50	4.75	5.00			
	1/4 hour	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	8 hours	9 hours								10 hours		
1/4 hour	.03	.03	.04	.05	.06	.08	.09	.10	.11	.13	.14	.15	.16	.18	.19	.20	.21	.23	.24	.25
1 hour	.05	.06	.08	.10	.13	.15	.18	.20	.23	.25	.28	.30	.33	.35	.38	.40	.43	.45	.48	.50
2 hours	.10	.12	.15	.20	.25	.30	.35	.40	.45	.50	.55	.60	.65	.70	.75	.80	.85	.90	.95	1.00
3 hours	.15	.18	.23	.30	.38	.45	.53	.60	.68	.75	.83	.90	.98	1.05	1.13	1.20	1.28	1.35	1.45	1.50
4 hours	.20	.24	.30	.40	.50	.60	.70	.80	.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80	1.90	2.00
5 hours	.25	.30	.38	.50	.63	.75	.88	1.00	1.13	1.25	1.38	1.50	1.63	1.75	1.88	2.00	2.13	2.25	2.38	2.50
6 hours	.30	.36	.45	.60	.75	.90	1.05	1.20	1.35	1.50	1.65	1.80	1.95	2.10	2.25	2.40	2.55	2.70	2.85	3.00
7 hours	.35	.42	.53	.70	.88	1.05	1.23	1.40	1.58	1.75	1.93	2.10	2.28	2.45	2.63	2.80	2.98	3.15	3.33	3.50
8 hours	.40	.48	.60	.80	1.00	1.20	1.40	1.60	1.80	2.00	2.20	2.40	2.60	2.80	3.00	3.20	3.40	3.60	3.80	4.00
9 hours	.45	.54	.68	.90	1.13	1.35	1.58	1.80	2.03	2.25	2.48	2.70	2.93	3.15	3.38	3.60	3.83	4.05	4.28	4.50
10 hours	.50	.60	.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00

Per Day	Nine-Hour Day										3.50	3.75	4.00	4.25	4.50	4.75	5.00			
	1/4 hour	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	8 hours	9 hours										
1/4 hour	.03	.03	.04	.06	.07	.08	.10	.11	.13	.14	.15	.17	.18	.19	.21	.22	.24	.25	.26	.28
1 hour	.06	.07	.08	.11	.14	.17	.20	.22	.25	.28	.31	.33	.36	.39	.42	.45	.47	.50	.53	.56
2 hours	.11	.13	.17	.22	.28	.33	.39	.44	.50	.56	.61	.67	.72	.78	.83	.89	.94	1.00	1.06	1.11
3 hours	.17	.20	.25	.33	.42	.50	.58	.67	.75	.83	.92	1.00	1.08	1.17	1.25	1.33	1.42	1.50	1.58	1.67
4 hours	.22	.27	.33	.44	.56	.67	.78	.89	1.00	1.11	1.22	1.33	1.44	1.56	1.67	1.78	1.89	2.00	2.11	2.22
5 hours	.28	.33	.42	.56	.69	.83	.97	1.10	1.25	1.39	1.53	1.67	1.81	1.94	2.08	2.22	2.36	2.50	2.64	2.78
6 hours	.33	.40	.50	.67	.83	1.00	1.17	1.33	1.50	1.67	1.83	2.00	2.17	2.33	2.50	2.67	2.83	3.00	3.17	3.33
7 hours	.39	.47	.58	.78	.97	1.17	1.36	1.56	1.75	1.94	2.14	2.33	2.53	2.72	2.92	3.11	3.31	3.50	3.69	3.89
8 hours	.44	.53	.67	.89	1.11	1.33	1.56	1.78	2.00	2.22	2.44	2.67	2.89	3.11	3.33	3.56	3.78	4.00	4.22	4.44
9 hours	.50	.60	.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00

Per Day	Eight-Hour Day										3.50	3.75	4.00	4.25	4.50	4.75	5.00			
	1/4 hour	1 hour	2 hours	3 hours	4 hours	5 hours	6 hours	7 hours	8 hours											
1/4 hour	.03	.04	.05	.06	.08	.10	.11	.13	.14	.16	.17	.19	.20	.22	.23	.25	.26	.28	.29	.31
1 hour	.06	.08	.09	.13	.16	.19	.22	.25	.28	.31	.34	.38	.41	.44	.47	.50	.53	.56	.59	.63
2 hours	.13	.15	.19	.25	.31	.38	.44	.50	.56	.63	.69	.75	.81	.88	.94	1.00	1.07	1.13	1.19	1.25
3 hours	.19	.23	.28	.38	.47	.56	.66	.75	.84	.94	1.03	1.13	1.22	1.31	1.40	1.50	1.59	1.69	1.79	1.88
4 hours	.25	.30	.38	.50	.63	.75	.88	1.00	1.13	1.25	1.38	1.50	1.63	1.75	1.88	2.00	2.13	2.25	2.38	2.50
5 hours	.31	.38	.47	.63	.78	.94	1.09	1.25	1.41	1.56	1.72	1.88	2.03	2.19	2.34	2.50	2.65	2.81	2.97	3.13
6 hours	.38	.45	.56	.75	.94	1.13	1.31	1.50	1.69	1.88	2.06	2.25	2.44	2.63	2.82	3.00	3.19	3.38	3.57	3.75
7 hours	.44	.53	.66	.88	1.09	1.31	1.53	1.75	1.97	2.19	2.41	2.63	2.84	3.06	3.28	3.50	3.72	3.94	4.16	4.38
8 hours	.50	.60	.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.75	5.00

TABLE OF WAGES

Per Week of Six Days	3.00	3.50	4.00	4.50	5.00	7.00	7.50	8.00	9.00
1 day	.50	.58	.67	.75	.83	1.17	1.25	1.33	1.50
2 days	1.00	1.17	1.33	1.50	1.67	2.33	2.50	2.67	3.00
3 days	1.50	1.75	2.00	2.25	2.50	3.50	3.75	4.00	4.50
4 days	2.00	2.33	2.67	3.00	3.33	4.67	5.00	5.33	6.00
5 days	2.50	2.92	3.33	3.75	4.17	5.83	6.25	6.67	7.50
6 days	3.00	3.50	4.00	4.50	5.00	7.00	7.50	8.00	9.00
7 days	3.50	4.08	4.67	5.25	5.83	8.17	8.75	9.33	10.50
8 days	4.00	4.67	5.33	6.00	6.67	9.33	10.00	10.67	12.00
9 days	4.50	5.25	6.00	6.75	7.50	10.50	11.25	12.00	13.50
10 days	5.00	5.83	6.67	7.50	8.33	11.67	12.50	13.33	15.00
11 days	5.50	6.42	7.33	8.25	9.17	12.83	13.75	14.67	16.50
12 days	6.00	7.00	8.00	9.00	10.00	14.00	15.00	16.00	18.00
13 days	6.50	7.58	8.67	9.75	10.83	15.17	16.25	17.33	19.50
14 days	7.00	8.17	9.33	10.50	11.67	16.33	17.50	18.67	21.00
15 days	7.50	8.75	10.00	11.25	12.50	17.50	18.75	20.00	22.50
16 days	8.00	9.33	10.67	12.00	13.33	18.67	20.00	21.33	24.00
17 days	8.50	9.92	11.33	12.75	14.17	19.83	21.25	22.67	25.50
18 days	9.00	10.50	12.00	13.50	15.00	21.00	22.50	24.00	27.00
19 days	9.50	11.08	12.67	14.25	15.83	22.17	23.75	25.33	28.50
20 days	10.00	11.67	13.33	15.00	16.67	23.33	25.00	26.67	30.00
21 days	10.50	12.25	14.00	15.75	17.50	24.50	26.25	28.00	31.50
22 days	11.00	12.83	14.67	16.50	18.33	25.67	27.50	29.33	33.00
23 days	11.50	13.42	15.33	17.25	19.17	26.83	28.75	30.67	34.50
24 days	12.00	14.00	16.00	18.00	20.00	28.00	30.00	32.00	36.00
25 days	12.50	14.58	16.67	18.75	20.83	29.17	31.25	33.33	37.50
26 days	13.00	15.17	17.33	19.50	21.67	30.33	32.50	34.67	39.00
27 days	13.50	15.75	18.00	20.25	22.50	31.50	33.75	36.00	40.50
28 days	14.00	16.33	18.67	21.00	23.33	32.67	35.00	37.33	42.00
29 days	14.50	16.92	19.33	21.75	24.17	33.83	36.25	38.67	43.50
30 days	15.00	17.50	20.00	22.50	25.00	35.00	37.50	40.00	45.00
31 days	15.50	18.08	20.67	23.25	25.83	36.17	38.75	41.33	46.50
Per Day at Seven Days Per Week	.43	.50	.59	.64	.71	1.00	1.07	1.14	1.29

TABLE OF WAGES

Per Week of Six Days	10.50	13.50	15.00	16.50	19.50	21.00	22.50	27.00
1 day	1.75	2.25	2.50	2.75	3.25	3.50	3.75	4.50
2 days	3.50	4.50	5.00	5.50	6.50	7.00	7.50	9.00
3 days	5.25	6.75	7.50	8.25	9.75	10.50	11.25	13.50
4 days	7.00	9.00	10.00	11.00	13.00	14.00	15.00	18.00
5 days	8.75	11.25	12.50	13.75	16.25	17.50	18.75	22.50
6 days	10.50	13.50	15.00	16.50	19.50	21.00	22.50	27.00
7 days	12.25	15.75	17.50	19.25	22.75	24.50	26.25	31.50
8 days	14.00	18.00	20.00	22.00	26.00	28.00	30.00	36.00
9 days	15.75	20.25	22.50	24.75	29.25	31.50	33.75	40.50
10 days	17.50	22.50	25.00	27.50	32.50	35.00	37.50	45.00
11 days	19.25	24.75	27.50	30.25	35.75	38.50	41.25	49.50
12 days	21.00	27.00	30.00	33.00	39.00	42.00	45.00	54.00
13 days	22.75	29.25	32.50	35.75	42.25	45.50	48.75	58.50
14 days	24.50	31.50	35.00	38.50	45.50	49.00	52.50	63.00
15 days	26.25	33.75	37.50	41.25	48.75	52.50	56.25	67.50
16 days	28.00	36.00	40.00	44.00	52.00	56.00	60.00	72.00
17 days	29.75	38.25	42.50	46.75	55.25	59.50	63.75	76.50
18 days	31.50	40.50	45.00	49.50	58.50	63.00	67.50	81.00
19 days	33.25	42.75	47.50	52.25	61.75	66.50	71.25	85.50
20 days	35.00	45.00	50.00	55.00	65.00	70.00	75.00	90.00
21 days	36.75	47.25	52.50	57.75	68.25	73.50	78.75	94.50
22 days	38.50	49.50	55.00	60.50	71.50	77.00	82.50	99.00
23 days	40.25	51.75	57.50	63.25	74.75	80.50	86.25	103.50
24 days	42.00	54.00	60.00	66.00	78.00	84.00	90.00	108.00
25 days	43.75	56.25	62.50	68.75	81.25	87.50	93.75	112.50
26 days	45.50	58.50	65.00	71.50	84.50	91.00	97.50	117.00
27 days	47.25	60.75	67.50	74.25	87.75	94.50	101.25	121.50
28 days	49.00	63.00	70.00	77.00	91.00	98.00	105.00	126.00
29 days	50.75	65.25	72.50	79.75	94.25	101.50	108.75	130.50
30 days	52.50	67.50	75.00	82.50	97.50	105.00	112.50	135.00
31 days	54.25	69.75	77.50	85.25	100.75	108.50	116.25	139.50
Per Day at Seven Days Per Week	1.50	1.93	2.14	2.36	2.79	3.00	3.21	3.86

VALUES OF FOREIGN COINS

Country	Standard	Monetary Unit	Value in Terms of U. S. Gold Dollar
Argentine Republic	Gold and silver	Peso	\$0.965
Austria-Hungary	Gold	Crown	.203
Belgium	Gold and silver	Franc	.193
Bolivia	Silver	Boliviano	.439
Brazil	Gold	Milreis	.546
British possessions, N. A. (except Newfoundland) .	Gold	Dollar	1.000
Central American States:			
Costa Rica	Gold	Colon	.465
British Honduras	Gold	Dollar	1.000
Guatemala			
Honduras	Silver	Peso	.439
Nicaragua			
Salvador			
Chile	Gold	Peso	.865
		{ Amoy	.710
		Canton	.708
		Chefoo	.679
		Chin Kiang	.693
		Fuchau	.656
		Haikwan (Customs)	.722
		Hankow	.664
China	Silver	Tael	

VALUES OF FOREIGN COINS—(Continued)

Country	Standard	Monetary Unit	Value in Terms of U. S. Gold Dollar
China	Silver	Hong Kong Niuchwang Ningpo Shanghai Swatow Takua Tientsin Tael	* \$0.665 .682 .648 .655 .714 .688 .439 .926 .268 .439 4.943 .193 .193 .238 4.866$\frac{1}{2}$.193 .965 .208 .193
Colombia	Silver	Peso	
Cuba	Gold and silver	Peso	
Denmark	Gold	Crown	
Ecuador	Silver	Sucro	
Egypt	Gold	Pound (100 piasters)	
Finland	Gold	Mark	
France	Gold and silver	Franc	
German Empire	Gold	Mark	
Great Britain	Gold	Pound sterling	
Greece	Gold and silver	Drachma	
Haiti	Gold and silver	Gourde	
India	Silver	†Rupee	
Italy	Gold and silver	Lira	

* The "British dollar" has the same legal value as the Mexican dollar in Hong Kong, the Straits Settlements, and Labua.

† Value of the rupee to be determined by consular certificate.

Country	Standard	Monetary Unit	Value in Terms of U. S. Gold Dollar
Japan	Gold	Yen	\$0.498
Liberia	Gold	Dollar	1.000
Mexico	Silver	Dollar	.477-
Netherlands	Gold and silver	Florin	.402
Newfoundland	Gold	Dollar	1.014
Norway	Gold	Crown	.268
Persia	Silver	Kran	.081
Peru	Silver	Sol	.439
Portugal	Gold	Milreis	1.080
Russia	Gold	Ruble	.515
Spain	Gold and silver	Peseta	.193
Sweden	Gold	Crown	.268
Switzerland	Gold and silver	Franc	.193
Turkey	Gold	Piaster	.044
Uruguay	Gold	Peso	1.034
Venezuela	Gold and silver	Bolivar	.193

DUTIES ON IMPORTS

A TABLE OF LEADING ARTICLES IMPORTED, GIVING
RATE AT ENTRY BY THE TARIFF ACT OF 1897

NOTE.—N. e. s. indicates "when not elsewhere specified": ad val. indicates ad valorem duty.

ARTICLES	TARIFF RATE
Alcohol, amylic, or fusel oil	$\frac{1}{4}$ ct. per lb.
Animals for breeding purposes	Free
Barley, bushel of 48 lb.	30 ct. per bu.
Beads	35% ad val.
Beef, mutton, and pork	2 ct. per lb.
Beer, ale, not in bottles	20 ct. per gal.
Beer, porter, and ale, in bottles	40 ct. per gal.
Bindings, cotton	45% ad val.
Bindings, flax	45% ad val.
Bindings, wool	50 ct. per lb. and 60% ad val.
Blankets	22 ct. per lb. and 30% ad val.
Blankets, value 40 ct. to 50 ct.	33 ct. per lb. and 35% ad val. (a)
Bonnets, silk	60% ad val.
Books, charts, maps	25% ad val.
Books, over 20 yr. old, for public libraries	Free
Bronze, manufactures of	45% ad val.
Brushes	40% ad val.
Butter, and substitutes	6 ct. per lb.
Buttons, sleeve and collar, gilt	50% ad val.
Canvas for sails	45% ad val.
Caps, fur and leather	35% ad val.
Carpets, treble ingrain	22 ct. per sq. yd. and 40% ad val.
Carpets, two-ply	18 ct. per sq. yd. and 40% ad val.
Carpets, tapestry Brussels	23 ct. per sq. yd. and 40% ad val.
Carpets, Wilton, Axminster, velvet	60 ct. per sq. yd. and 40% ad val.

Cattle (over 1 yr. old)	27½% ad val.
Cheese, all kinds	6 ct. per lb.
Cigars and cigarettes	\$4.50 per lb. and 25% ad val.
Clocks, n. e. s.	40% ad val.
Clothing, ready-made, cotton, n. e. s.	50% ad val.
Clothing, ready-made, linen, silk, and woolen	60% ad val. (k)
Coal, anthracite	Free
Coal, bituminous	67 ct. per ton
Coffee	Free
Confectionery, all sugar	50% ad val. (if more than 15 ct. per lb.)
Copper, manufactures of	45% ad val.
Cotton gloves	50% ad val.
Cotton handkerchiefs, hemmed	45% ad val.
Cotton handkerchiefs, hemstitched	55% ad val.
Cotton hosiery	50 ct. to \$2 per doz. pairs and 15% ad val.
Cotton shirts and drawers	60 ct. to \$2.25 per doz. and 15 to 50% ad val.
Cotton plushes, unbleached	9 ct. per sq. yd. and 25% ad val.
Cotton webbing	45% ad val.
Cotton curtains	50% ad val.
Cutlery, more than \$3 per doz.	20 ct. per piece and 40% ad val.
Cutlery, razors, over \$3 per doz.	\$1.75 per doz. and 20% ad val.
Cutlery, table knives	16 ct. each and 15% ad val.
Cutlery, table knives, over \$4 per doz.	45% ad val.
Diamonds (uncut, free), cut and set	60% ad val.
Diamonds, cut, but not set	10% ad val.
Drugs (crude, free), not crude	¼ ct. per lb. and 10% ad val.
Dyewoods, crude	Free
Dyewoods, extracts of	⅓ ct. per lb.
Earthenware, common	25% ad val.

Earthenware, porcelain, plain	55% ad val.
Earthenware, porcelain, etc., decorated	60% ad val.
Eggs	5 ct. per doz.
Engravings	25% ad val.
Extracts, meat	35 ct. per lb.
Fertilizers, guanos, manures	Free
Firearms	(b)
Fish, American fisheries	Free
Fish, smoked, dried	$\frac{3}{4}$ ct. per lb.
Flannels	22 ct. per lb. and 30% ad val.
Flannels, value 40 ct. to 50 ct.	33 ct. per lb. and 35% ad val.
Flax, manufactures of, n. e. s.	45% ad val.
Flowers, artificial	50% ad val.
Fruits, preserved in their own juice	1 ct. per lb. and 35% ad val.
Fruits, apples	25 ct. per bu.
Fruits, oranges, lemons, n. e. s.	1 ct. per lb.
Fur, manufactures of	35% ad val.
Furniture, wood	35% ad val.
Glassware, plain and cut	60% ad val.
Glass, polished plate, not over 16 in. $\times$ 24 in.	8 ct. per sq. ft.
Glass, silvered, not over 16 in. $\times$ 24 in.	11 ct. per sq. ft.
Glass bottles, over 1 pt.	1 ct. per lb.
Gloves, men's, ladies', children's	*
Glucose	1 $\frac{1}{2}$ ct. per lb.
Glue, value not over 7 ct. per lb.	2 $\frac{1}{2}$ ct. per lb. (g)
Gold, manufactures of, not jewelry	45% ad val.
Hair of hogs, curled for mattresses	10% ad val.
Hair manufactures, n. e. s.	35% ad val.
Hair, human, unmanufactured	20%; not drawn, free
Hams and bacon	5 ct. per lb.
Hay	\$4 per ton
Hemp cordage	2 ct. per lb.
Hides, raw, fried, salted, pickled	15% ad val.
Honey	20 ct. per gal.
Hoops, iron or steel, baling	$\frac{1}{4}$ ct. per lb.
Hops	12 ct. per lb.

Horn, manufactures of	30% ad val.
Horses, mules	\$30 per head (h)
India rubber, manufactures of	30% ad val.
India rubber, vulcanized	35% ad val.
Instruments, metal	45% ad val.
Iron, manufactures of, n. e. s.	45% ad val.
Iron screws, $\frac{1}{2}$ in. or less in length	12 ct. per lb.
Iron, tinned plates	1 $\frac{1}{2}$ ct. per lb.
Ivory, manufactures of, n. e. s.	35% ad val.
Jewelry	60% ad val.
Knit goods, wool, value not over 30 ct. per lb.	44 ct. per lb. and 50% ad val.
Knit goods, woolen apparel, 30 ct. to 40 ct. per lb.	44 ct. per lb. and 50% ad val.
Knit goods, woolen apparel, over 40 ct. per lb.	44 ct. per lb. and 50% ad val. (c)
Knit goods, silk	60% ad val.
Lard	2 ct. per lb.
Lead, pigs, bars	2 $\frac{1}{2}$ ct. per lb.
Lead, type metals	1 $\frac{1}{2}$ ct. per lb.
Leather manufactures, n. e. s.	35% ad val.
Linen manufactures, n. e. s.	45% ad val.
Linen, wearing apparel	60% ad val.
Macaroni	1 $\frac{1}{2}$ ct. per lb.
Malt, barley	45 ct. bu.
Matches, friction, boxed	8 ct. per gross
Matting, cocoa, and rattan	6 ct. per sq. yd.
Meerscham pipes	60% ad val.
Molasses, n. e. s.	40° to 50°, 3 ct. per gal. (i)
Muffs, fur	35% ad val.
Musical instruments	45% ad val.
Nails, cut	6-10 ct. per lb.
Nails, horseshoe	2 $\frac{1}{4}$ ct. per lb.
Newspapers, periodicals	Free [sq. yd. (j)
Oilcloth, value over 25 ct.	8 ct. to 20 ct. per

Oil, olive	50 ct. per gal. in bottles, etc.
Oil, olive, n. e. s.	40 ct. per gal.
Oil, whale and seal, foreign, n. e. s.	8 ct. per gal.
Onions	40 ct. per bu.
Opium, liquid preparations	40% ad val.
Opium, crude and unadulterated	\$1 per lb.
Paintings and marble statuary	20% ad val.
Paper manufactures, n. e. s.	35% ad val.
Paper stock, crude	Free
Pepper, cayenne, unground	2½ ct. per lb.
Perfumery, alcoholic	60 ct. per lb. and 45% ad val.
Photograph albums	35% ad val.
Photograph slides	25% ad val.
Pickles	40% ad val.
Pins, metallic	35% ad val.
Pipes of clay, common, 40 ct. per gross	15 ct. per gross
Poultry, dressed	5 ct. per lb.
Potatoes	25 ct. per bu.
Pulp wood, for paper makers	1-12 ct. per lb. mechanically ground (l)
Quicksilver	7 ct. per lb.
Quinine, sulphate, and salts	Free
Railroad ties, cedar	20% ad val.
Rugs, Oriental	10 ct. per sq. ft. and 40% ad val.
Salmon, dried or smoked	¾ ct. per lb.
Salt	12 ct. per 100 lb., packages; 8 ct. per 100 lb., bulk
Sauces, n. e. s.	40% ad val.
Sausages, bologna	Free
Sausages, all other	25% ad val.
Sealskin sacques	35% ad val.
Silk, raw	Free
Silk, spun in skeins	35% ad val. (d)
Silk laces, wearing apparel	60% ad val.

Skins, uncured, raw	Free
Skins, tanned and dressed	20% ad val.
Slates, manufactures of, n. e. s.	20% ad val.
Smokers' articles, except clay pipes	60% ad val.
Soap, castile	1 $\frac{1}{4}$ ct. per lb.
Soap, toilet, perfumed	15 ct. per lb.
Spirits, except bay rum	\$2.25 prf. gal.
Straw manufactures, n. e. s.	30% ad val.
Sugars, not above 16 Dutch standard	1 $\frac{3}{16}$ ct. per lb. (m)
Sugars, above 16 Dutch standard	1 $\frac{9}{16}$ ct. per lb.
Tea	Free
Tin, ore or metal	Free
Tin plates	1 $\frac{1}{2}$ ct. per lb.
Tobacco, cigar wrappers, not stemmed	\$1.85 per lb.
Tobacco, if stemmed	\$2.50 per lb.
Tobacco, all other leaf, stemmed	50 ct. per lb.
Tobacco, unmanufactured, not stemmed	35 ct. per lb.
Umbrellas, silk or alpaca	50% ad val.
Vegetables, natural, n. e. s.	25% ad val.
Vegetables, prepared or preserved	40% ad val.
Velvets, silk, 75% or more silk	\$1.50 per lb. and 15% ad val.
Watches and parts of	40% ad val.
Wheat, bushel of 60 lb.	25 ct. per bu.
Willow for basketmakers	20% ad val.
Willow manufactures, n. e. s.	40% ad val.
Wines, champagne, in $\frac{1}{2}$ -pt. bottles or less	\$2 per doz.
Wines, champagne, in bottles, $\frac{1}{2}$ pt. to 1 pt.	\$4 per doz.
Wines, champagne, in bottles, 1 pt. to 1 qt.	\$8 per doz.
Wines, still, in casks containing more than 14% absolute alcohol	50 ct. per gal.
Woods, cabinet, sawed	\$1 to \$2 per M. ft.
Wool, first class	11 ct. per lb.
Wool, second class	12 ct. per lb.
Wool, third class, n. e. s., above 13 ct. per lb.	7 ct. per lb. (e)
Wool or worsted yarns, value not over 30 ct. per lb.	[40% ad val. 27 $\frac{1}{2}$ ct. per lb. and

Wool or worsted yarns, value 30 ct. to 40 ct. per lb.	38½ ct. per lb. and 40% ad val.
Wool or worsted yarns, value over 40 ct. per lb.	38½ ct. per lb. and 40% ad val.
Woolen or worsted clothing	44 ct. per lb. and 60% ad val.

* The Dingley tariff increases rates on women's and children's gloves uniformly 75 ct. per dozen pairs; on men's gloves the rates are the same as the Wilson rates. (a) Valued at more than 50 ct. per lb., 33 ct. per lb. and 40% ad val. (b) Specific duties ranging from \$1.50 to \$6 on each article and 35% ad val. (c) On goods above 40 ct. and not above 70 ct. per lb.; duty on goods above 70 ct. per lb., 44 ct. per lb. and 55% ad val. (d) Value \$1 per lb., 20 ct. per lb. and 15% ad val., with increasing duty of 10 ct. per lb. for each 50 ct. additional value up to \$2.50; all over \$2.50 per lb., 60 ct. per lb. and 15% ad val. (e) Wool valued at 12 ct. per lb. or less, 4 ct. per lb.; above 12 ct. duty is 7 ct. per lb. (f) Two prices only in Dingley bill, 30 ct. and less, and above 30 ct. (g) If not over 10 ct. per lb. (h) If valued at \$150; if more, 25% ad val. (i) Above 56°, 6 ct. per gal. (j) And 15 to 20% ad val. (k) On woolen, an additional duty of 44 ct. per lb. (l) Chemical wood pulp, 1 ct. to 6 ct. per lb.

BOOKKEEPING

As an aid in deciding when to debit and when to credit an account, the following rule may be found valuable:

Rule.—*Debit what you receive, or what costs you value. Credit what you part with, or what produces you value.*

Selection of Books.—The selection of the books to be used for any particular business depends on the results required to be shown. In each case, considerable thought should be given as to how the books should be ruled. A number of styles of ruling for each important book may now be had, and preference should be given to that form of ruling which shows the most in the way of results, with the greatest saving in labor. Study how the addition of special columns to your books of original entry will save posting and copying, and a set of books will soon be developed that will show an increase of results with a decrease of labor.

Trial Balance.—Probably the taking of a trial balance causes students and bookkeepers more real trouble than any other one feature of their bookkeeping work. The taking of a trial balance is a very simple matter, but one that requires

close attention, or mistakes will be made in adding, subtracting, or in placing the amount on the wrong side of the trial balance. Mistakes are, however, more often made in posting than in actually taking the trial balance, and, of course, the more items there are to post, and the more books in use, the greater is the liability for mistakes to occur. Such mistakes as posting a debit amount to the credit side of an account, or the credit amount to the debit side, the transposing of figures, as writing \$187 for \$178, are probably due to the mind wandering for a moment to some other matter than that immediately in hand. While there are a number of methods in use by bookkeepers to detect such errors, any scheme that will help to avoid them is much better. The following plan is successfully used by many bookkeepers, and adds very little to the work of posting:

Post all the debit items of one or more pages at a time, then the credit items. When doing this posting, have a sheet of paper at hand, and as soon as each debit amount is posted, copy it from the ledger to the paper. This will then give a list of all the debit items posted. (Never copy an amount from the journal; if you do, it will not be certain that it has been posted as shown by the paper, or even that it has been posted at all.) Proceed in the same manner with the credit items, and, when you have finished posting, compare the amounts shown by the paper; the two sides should exactly balance. To do this, the items need not be added; checking will do as well.

This is a very simple plan, but, if carefully followed, it will be found that every omission or transposition of figures will be shown, and at a time when it may be easily corrected. The bookkeeper that adopts the use of this check-slip may be sure that if no errors are made in taking off the trial balance from the ledger, he will have it correct the first time he adds it.

There are quite a number of rules that bookkeepers use to detect errors in their trial balances. The best possible rule is to go slowly and keep such a check on your work as you proceed that you will feel sure as you go on that your work is correct and that you will have no difficulty in

arriving at the balance. If, however, your work does not balance on the first trial, one or more of the following rules may be tried:

Carefully compare your trial balance with the one previously taken to see if any balance has been omitted or entered on the wrong side.

At first, do not attempt to look over your posting unless you feel sure that you remember an amount like the one which you are out in your balance.

Look for dollars posted as cents, and cents posted as dollars.

Look for an account closed but not ruled off; last month's balance may have been included.

Look for an account that has been balanced and ruled but the balance for which has not been brought down.

If the difference is 1 ct., 10 ct., \$1, \$10, etc., it is quite probable that the error is in adding or subtracting.

If you keep books from which you take balances direct to the trial balance, as the cash book, be sure that the balance has been included.

Bills payable and bills receivable accounts often give trouble; go carefully over them.

Go over your books carefully to see if any item has been omitted in posting.

If you have a section of your ledger devoted to petty accounts that you include in the trial balance as a whole, be sure that none of these have been omitted.

If after trying these different rules you are still unable to get your trial balance, it will be necessary to check the work of posting, in which case use the check-slip method as explained on the preceding page, and thereafter always use it when making your first posting.

Closing a Set of Books.—Before attempting to close a set of books, a correct trial balance must be had, and a *statement of the business* should be made out. The statement of the business will give the figures to be used in closing the ledger accounts, and by its use all errors will be avoided. The following definitions should be kept in mind:

Inventories show the value of the goods and property remaining on hand.

Non-speculative accounts are those on which we do not directly gain or lose. They are cash, personal, bills payable, and bills receivable.

Speculative accounts are those whose nature it is to produce gain or loss. Merchandise, expense, and like accounts belong to this class.

If the work of closing a set of books is performed in the following order, there will never be any trouble as to the result:

1. Enter inventories, in red ink, on the credit side of the accounts to which they belong.
2. Close all speculative accounts to loss-and-gain account.
3. Close loss-and-gain account to proprietor's account.
4. Rule all accounts that balance.
5. Bring down all inventories and the balance of the proprietor's account.

A trial balance of the ledger at this point should exactly agree with the resource and liability division of the statement of the business.

The reason for taking a trial balance at this time is that we may be sure that the books are in balance before we put any new business on them. For, when we next attempt to take a trial balance, and it does not balance, we would naturally look for the error in the work of the month, when, quite likely, it would be in the closing of the accounts or in the bringing down of the balances, which a trial balance as just suggested would have brought to light and all trouble from such an error have been saved.

When a new business period is to be begun and the old books used, no opening entry is necessary, as all the accounts that would appear in such an entry are already on the books.

LEDGER BALANCES

The use of card and other ledgers that are ruled with a balance column, which is supposed to be kept up to date and show the daily balance of each account, has greatly increased the work for those bookkeepers that follow the old plan of writing down the old balance, placing under it the sum of the sales, adding them, and subtracting the credits from this amount to get a new balance.

A method much in use by modern accountants is to mentally add the sales, the old balance, and the difference between the sum of the credits and zero.

For example, the old balance is \$175.82, the sum of the sales is \$391.67, and the sum of the credits is \$372.57.

The subtraction of the sum of the credits from zero is made mentally as the work proceeds.

Adding the units of the balance and sales items, we have $7 + 2 = 9$, and adding to this the difference between the units figure of the credits and zero, which is 3, we have 12, the figure 2 being the first figure of the new balance. Continuing, we have $6 + 8 + 5 = 19$, the 9 for a second figure.

It will be seen that we pay no attention to the tens figure in either of these cases, simply using the unit figure and dropping the tens. To proceed, our first dollar column adds $1 + 5 + 8$, which gives 4 for the answer; $9 + 7 + 3 = 19$, $3 + 1 + 7 = 11$, and, dropping the tens figure as before, leaves us 1, which gives us a balance, as will be seen, of \$194.92.

If the sum of the numbers in any column is less than 10, we must subtract 1 from the sum of the next column, but if the sum is 20 or more, we must add 1 to the next column, 30 or more, 2, etc. For example,

Balance, \$278.97

Debits, 99.86

Credits, 132.16

Balance, 246.67

Balance, \$212.10

Debits, 78.14

Credits, 92.78

Balance, 197.46

STENOGRAPHY

The earliest system of phonography is that of Joseph Barnes, published in 1691; but the best known of the early systems is that of Isaac Pitman, of Bath, England, which was invented 1837-40. In 1852, Benn Pitman, a brother of Isaac Pitman, came to America to introduce the art here. Up to 1857 there was but one system of phonography used in this country and England. In 1858 Isaac Pitman made some changes in his system that did not suit his brother, who at once prepared what he called his own system, but which was really Isaac

Pitman's ninth edition. In 1858, Andrew J. Graham, of New York, also published a system that was a reconstruction of that of Isaac Pitman. From that time to the present there have been many systems brought out, each of which has taken for a basis the same material.

The following cut shows a few lines from a page of court-reporting work:

CHARGE TO A JURY

The image shows a sample of shorthand notation, likely Pitman's shorthand, representing the text "Gentlemen of the Jury: In the case about to be submitted to you, you have a duty to perform which is as important as that of the Court. The duties of the jury and of the Court are distinct and separate. It is the duty of the Court to instruct you upon all questions of law, and first of all as to what questions of fact you are to decide, and it is your duty to find only upon such questions of fact as shall be submitted to you by the Court." The notation consists of various strokes, including straight lines, curves, and dots, arranged in a series of lines that correspond to the words and sentences of the charge.

TRANSCRIPT OF THE ABOVE NOTES

"Gentlemen of the Jury: In the case about to be submitted to you, you have a duty to perform which is as important as that of the Court. The duties of the jury and of the Court are distinct and separate. It is the duty of the Court to instruct you upon all questions of law, and first of all as to what questions of fact you are to decide, and it is your duty to find only upon such questions of fact as shall be submitted to you by the Court.

"In this case there is but a single question of fact for your consideration, and that is the question of the good faith of the transaction by which Palmer received the draft in question from the defendants. Several questions of fact have been alluded to by counsel in your presence, which you will not be called upon to decide, the Court holding that they are not involved in this action."

The main principle of shorthand lies in the substituting of simple forms for the complex characters of the common alphabet. These forms enable us to visibly represent letters or sounds by a single stroke. By making these characters longer

or shorter, larger or smaller, adding to them certain hooks, loops, or circles, and by writing them in certain positions relative to the ruled line, we are able to form outlines or pen pictures of words rapidly enough to catch and preserve the words of the most rapid and eloquent speakers, and which may be read by the writer and others familiar with his art as easily as a printed page.

FLAG SYSTEM

When taking dictation, the stenographer is frequently interrupted and told to insert sentences, or sometimes entire paragraphs, at certain points in the notes. A single word and sometimes two or three words can be written above or near the point at which they should come in the transcript, but when a sentence or more is to be inserted, this cannot be done, and the stenographer then makes some arbitrary mark like an X or a number sign (#) and writes the sentence, accompanied by a similar mark, at some other point in the work.

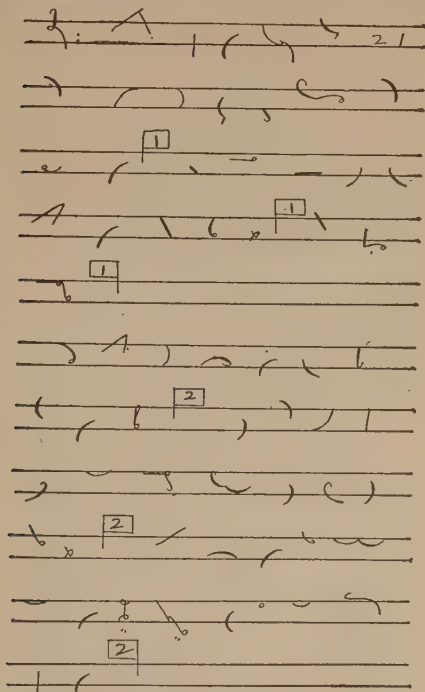
A better plan than this, and one that has been adopted by a large number of stenographers, is to make a sign like a flag at the point where the sentence is to be inserted and number this flag according to the number of the sentence to be inserted. Another flag having the same number is made at the end of the notes already taken, after which should follow the sentence to be inserted, and at the end of it a third flag, having the same number but pointing in the opposite direction to the second one, shows that the matter between these flags is to be inserted in the notes at the point indicated by the flag bearing the same number.

The regular dictation should then be taken up at this point, and if further matter to be inserted is thought of, another flag should be placed at the point required, and the matter to be added written between two other flags of the same number. The following is a key to the notes on the next page.

"DEAR SIR: Replying to your favor of the 21st, we will say that the Bound Volumes we sent you (by Adams Express) two weeks ago should have reached you before this.

"Always write us whenever you have difficulty with your studies (or when you find anything in your Instruction Papers

that is not clear to you), as we shall take pleasure in explaining everything as fully as possible."



SHORTHAND NUMERALS

The use of a system of signs to represent numerals is preferred by some stenographers to the use of our common figures. There are a number of schemes in use for this

purpose, and among them the following, which is the invention of Mr. Ruel Smith, of Bangor, Me. This is an excellent system, but care must be taken not to mistake for word forms

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

16 17 18 19 20 21 22 23 24 25 26 27

28 29 30 31 32 33 34 35 36 37 38 39 40

41 42 43 44 45 46 47 48 49 50 51 52

53 54 55 56 57 58 59 60 61 62 63 64 65

66 67 68 69 70 71 72 73 74 75 76 77 78

79 80 81 82 83 84 85 86 87 88 89 90

91 92 93 94 95 96 97 98 99 100

101 102 103 104 105 106 107 108 109 110

111 112 113 114 115 116 117 118 119 120

121 122 123 124 125 126 127 128 129 130

131 132 133 134 135 136 137 138 139 140

141 142 143 144 145 146 147 148 149 150

151 152 153 154 155 156 157 158 159 160

the characters intended for figures. To avoid this, Mr. Smith advises that a curved line be struck either under or over the shorthand numerals.

STANDARD TIME

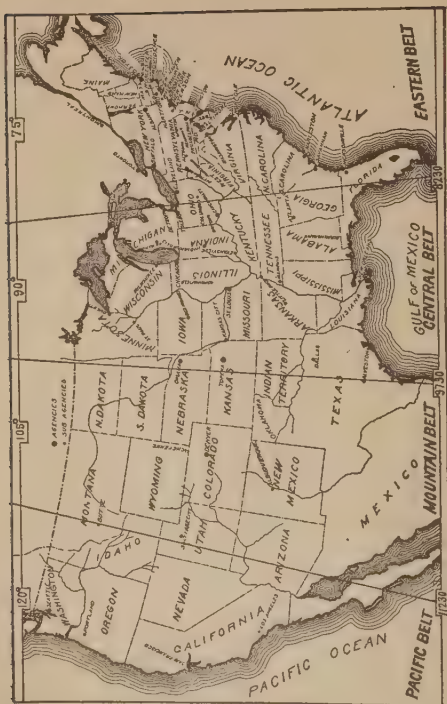
Operating a complex railway system under sixty-five different time standards created such confusion that as long ago as 1869 a remedy was sought, and many were recommended. A single standard was proposed and met with much favor, but was rejected for the reason that in some places there would be a difference of two hours between the standard and local time. The confusion increased with the growth of the service until the public demand for relief became so persistent that the present system of *standard time* was adopted and put in force on Sunday, Nov. 18, 1883. On that day all time-pieces were set backwards or forwards as many minutes as they were ahead of or behind their standard meridian. If they were east of it, they were fast and were set backwards; if they were west of it, they were slow and were set forwards.

It is possible now to travel east or west for a day and still be in accord with local time. When a railway point is reached that separates any two standards, the simple setting of the hands of a watch forwards or backwards an hour is all that is necessary to put it right.

Theoretically, it was intended that each standard meridian should govern the belt $7\frac{1}{2}^{\circ}$ on each side of it; but there have been a few slight variations from this, the local time of places on the edges of the belts differing from the standards by half an hour. The longitude of Detroit makes its local time 28 min. faster than central standard time. Two lines running east from Windsor (across the river) use eastern time, while another uses central time. This fact, together with its geographical position suggested neutrality, and, as a consequence, Detroit has a time of its own.

Standard time practically places all the cities, towns, and villages of our country on four meridians, the residents of each of the four belts having a common time.

The diagram shows the location of the time belts as they cross the states. The places named in the table, which are situated near the dividing lines, use the time of the heading under which they appear.



Eastern Time	Eastern Time	Central Time
Ashley Junction, S. C. Augusta, Ga. Benwood, W. Va. Bristol, Tenn. Buffalo, N. Y. Butler, Pa. Clifton Forge, Va. Columbia, S. C. Corry, Pa. Dunkirk, N. Y. Erie, Pa. Foxburg, Pa. Franklin, Pa. Jamestown, N. Y. Kane, Pa. Mt. Jewett, Pa. Oil City, Pa. Parkersburg, W. Va. Pittsburg, Pa. Washington, Pa. St. Thomas, Ont. W. Clifton Forge, Va. Salamanca, N. Y. Wheeling, W. Va. Salisbury, N. C. Sault Ste. Marie, Ont.	Sheffield Junc., Pa. Spartanburg Junc., S. C. Union City, Pa.	Brandon, Man. Cheyenne Wells, Colo. Dodge City, Kan. Holyoke, Colo. Hoisington, Kan. Long Pine, Neb. Minot, N. D. North Platte, Neb. Portal, N. D. Phillipsburg, Kan. Athens, Ga. Atlanta, Ga. Fort William, Ont. Kenova, W. Va. Port Huron, Mich. S. Ste. Marie, Mich.
	Mountain Time Deming, N. M. Ogden, Utah. Seligman, Ariz. Alliance, Neb. El Paso, Tex. Mandan, N. D. McCook, Neb. Oakley, Kan. Texline, Tex.	Pacific Time East Spokane, Wash. Hope, Ida. Huntington, Ore. Laggan, B. C.
	Local Time Detroit, Mich. Gainesville, Ga.	

CORRESPONDENCE

LETTER WRITING

The importance of letter writing, both in business and as an educational accomplishment, cannot be overestimated. Business must, to a large extent, be transacted by means of correspondence; and one of the leading requisites of business success is the ability to discharge the important duties pertaining to correspondence in a manner satisfactory to all concerned.

The essential parts of a letter are:

1. Heading, including date.
2. Address.
3. Salutation.
4. Body.
5. Complimentary close.
6. Subscription, or signature.
7. Superscription, or outside address.

The incidental parts are:

1. The postscript, with its continuations or iterations, paulo-postscript, post-paulo-postscript, and so on.
2. Nota bene.
3. Enclosure.
4. Stamp.
5. Return directions.

The writing of the **place and** date at the lower left-hand corner of the paper, at **the** end of a letter, though quite admissible and somewhat customary in the matter of social letters, is, in the case of business letters, annoying to those that desire to note at once the date of the letter. It is better not to indulge in any eccentricities in such matters. For people that do not have anything else to do it may be allowable; but busy people do not have time to look in unusual places for headings, addresses, signatures, etc.

The salutation is the greeting, as "Dear Sir," "Sir," "My dear George," and the like, with which it is usual to begin a letter. What the salutation shall be must be determined, of course, by the relation between the writer and the party

addressed. The most formal, private, or unofficial salutations are "Sir" and "Madame." These are almost impersonal and belong to such persons as we may wish to accost with civility. "Sir" is the correct salutation in addressing officers of the government who have no special title inherent in the office they hold. When it is used the complimentary close should be "Yours respectfully," or something correspondingly distant.

General Form.—The following letter shows the usual arrangement of the various parts of an ordinary business letter:

(Heading and Date.)

540 Sewell St., PORTLAND, ME.,
February 22, 1904.

(Address.)

MR. JOHN W. PLAYFAIR,
President First National Bank,
558 Jackson Boulevard,
Chicago, Ill.

(Salutation.)

DEAR SIR:

(Body.)

Mr. George Williams of your city has called to interest me in the purchase of a large tract of timber and mining lands in Northern Wisconsin. Mr. Williams impresses me favorably, and his propositions appear quite reasonable on their face.

I have, however, deferred giving him a final answer until I hear from you regarding his standing in business circles in Chicago. He speaks of you as an acquaintance, and since I claim you as a friend, your advice will be as welcome as it must be valuable.

(Complimentary Close.)

I am, dear sir,

Very sincerely yours,

(Signature.)

WILLIAM HUTCHESON.

The superscription is the outside address—the one written on the envelope, and the one for the postmaster and the letter carrier to note. Like the address, the superscription consists of three parts: the name, the title, and the business address or residence.

The accompanying illustration shows a specimen superscription:

Return in 5 days to
540 Sewell St.,
Portland, Me.

Stamp.

MR. JOHN W. PLAYFAIR,
President First National Bank,
558 Jackson Boulevard,
Chicago, Ill.

SUGGESTIONS

The first and most important rule to be observed by a writer of a letter is to *be courteous*.

Neatness.—Always be careful, in the writing of a letter, to avoid blots, corrections, or erasures. Make the letter perfect as to neatness, even if it has to be rewritten. An essential as important as neatness is correct spelling.

Brevity.—One of the essential qualities of business correspondence that cannot be too strongly dwelt upon is *brevity*, for business men have no time to waste, and appreciate conciseness of expression. Brevity of expression, if combined with neatness, clearness, and courtesy always makes a good impression upon the true business man. One of the greatest helps to success in any walk of life is the ability to express ideas accurately and concisely.

Deliberation.—No one should write a letter when angry, nor, as a rule, when inclined to say severe things. If one receives a letter provoking him to anger, it is better to wait a little before answering; then probably the style of his reply will be entirely changed. Words hastily spoken, and letters written in haste or anger, one usually would like to recall. Hasty or vindictive words make enemies and endanger business, while kind words make and hold friends. Make it a rule never to write a letter when strongly excited.

Many writers experience difficulty in the opening and

closing sentences of a letter. The opening should be perfectly natural and should introduce the subject uppermost in the mind. Avoid in the opening such set phrases as "I now take my pen in hand to tell you that I am well, etc.," "I thought I would drop you a line to let you know, etc." A familiar letter usually ends with an expression of compliment or affection in addition to the complimentary close.

Promptness of Answers.—From the standpoint of the recipient of the letter, correspondence demands close and courteous attention. Letters, especially business letters, should be answered with reasonable promptness.

Date of Letter Answered.—The answer to a business letter should contain a reference to the date of the letter answered; thus, "In answer to your letter of the 10th inst."

Enclosing Stamp.—A letter asking a favor or treating of business in which only the writer and not the recipient is interested, should have a stamp enclosed for an answer.

Legibility.—Do not write so that your correspondent will be unable to read your letter, or meet with great difficulty in so doing. Sign your name to the letter, so that there can be no possible doubt as to the spelling. Some business men cultivate a characteristic signature, which they use for checks and business papers. Such a signature is often purposely almost illegible, and obviously should not be used for a letter except to a well-known correspondent.

ABBREVIATIONS

ABBREVIATIONS RELATING TO BUSINESS

According to value (<i>ad valorem</i>)	ad val.
Account	acct.
Account current	acct. cur.
Account sales	acct. sales
Additional	add.
Advertisement	ad, or adv.
All correct (<i>oll korrekt</i>)	O. K.
Amount	amt.
Assorted	ass'd, or as'd
Average	av.

Balance	bal.
Bales	bls.
Bank	bk.
Bank book; Bill book	B. B.
Barrel	bbl.
Bill of exchange	b. e.
Bill of lading	b. l.
Bills payable	b. p.
Bills receivable	b. rec.
Bond	bd.
Bought	bot.
Boxes	bxs.
Brought	bro't.
Bundle	bdl.
Bushel	bu., or bush.
By the hundred	per cent.
By the year	per an.
Cartage	etg.
Cash (or collect) on delivery	C. O. D.
Cashier	cash.
Casks	cks.
Cents	c., or cts.
Charges	cgs.
Chartered accountant; Chief accountant	C. A.
Chests	chts.
Collateral	collat.
Commission; Commerce; Committee	com.
Company; County	Co.
Consigned	cons'd
Consignment	cons't
Consolidated	consol.
Correspondent	corresp.
Credit; Creditor	Cr.
Day book	D. B.
Deposit	dep.
Discount	disct.
Ditto (the same)	do.
Dividend	div.
Debtor	Dr.

Draft	dft.
Each	ea.
Errors and omissions excepted	E. & O. E.
Errors excepted	E. E.
Exchange; Exchequer	Exch.
Export; Exporter; Expense	exp.
First class	A1
Foot; Feet	ft.
Free on board	f. o. b.
Gallon	gal.
Gross	gr., or gro.
Hogshead	hhd.
Hundredweight	cwt.
I owe you	I. O. U.
Inch; Inches	in.
Insurance	ins.
Interest	int.
Inventory	inv't
Invoice	inv.
Invoice book	I. B.
Journal	jour.
Journal day book	J. D. B.
Journal folio	J. F.
Manifest	Mfst.
Memorandum	Mem.
Memorandum book	Mem. B.
Merchandise	mdse.
Mortgage	Mtg.
Number; Numbers	No., Nos
Ounce	oz.
Package	pkg.
Paid	pd.
Pay on delivery	P. O. D.
Payment	pay't
Peck	pk.
Piece	pc., or pce.
Pieces	ps., or pes.
Pound; Pounds	lb.
Premium	Prem.

Quart	qt.
Quarter	qr.
Received	recd.
Returned	ret'd.
Sales book	S. B.
Shipment	shipt.
Treasurer	Treas.
Weight	wt.
Yard; Yards	yd.

SIGNS AND CHARACTERS

To or at	@
Account	$\frac{a}{c}$
Bill of lading	$\frac{B}{L}$
Bill rendered	$\frac{B}{R}$
Bill of sale	$\frac{B}{S}$
Cents	¢
Care of	$\frac{c}{o}$
Days after date	$\frac{D}{D}$
Days after sight	$\frac{D}{S}$
Free on board	$\frac{F}{B}$
Joint account	$\frac{J}{A}$
Letter of credit	$\frac{L}{O}$
Letters of marque	$\frac{L}{M}$
Pounds sterling	£
On account of custom	$\frac{o}{c}$
Out of courtesy	$\frac{o}{c}$
Per cent.	%
Per	℥
Dollars	\$
Number	#

Means "pounds" if written after a figure, as 40 #.

• Check-mark	✓
Also radical sign.	
Ditto	"
Degrees	°
Primes; Minutes; Feet	'
Seconds; Inches	"
Also used for ditto marks.	
One and one-fourth	$\frac{1}{4}$
One and one-half	$\frac{1}{2}$
One and three-fourths	$\frac{3}{4}$
Addition (plus)	+
Subtraction (minus)	-
Multiplication (by or into)	×
Division (divided by)	÷
Equals (equality)	=

HELPS IN WRITING

RULES FOR SPELLING

When a monosyllable containing a single vowel ends in *f*, *l*, or *s*, the final consonant should be doubled. Muff, full, grass. Exceptions: clef, pal, sol, has, his, us, if, of, gas, as, was, yes, thus.

In a monosyllable containing a diphthong, the final consonant is not doubled. Ail, haul.

When *c* follows a vowel in a monosyllable ending in the sound of *k*, the consonant *k* is added after *c*. Rock, neck.

Final *y*, when preceded by a consonant, is changed into *i* when any suffix is added (except the suffix *ing*) that begins with a vowel, or before *ment*, *ly*, *ful*, *ness*, *fy*, *hood*. Happy, happier, happiness.

Final *y*, when preceded by a vowel, is retained when suffix is added, or before the suffix *ing*. Pity, pitying, valley, valleys.

Final *e* is dropped before a suffix beginning with a vowel. Brid-al, pleas-ure. Exceptions: (1) Words that end in *ce* and *ge* retain *e* before *a* and *o*; (2) *e*, when preceded by *e*, *o*, or *y*, is often retained before *ing*, *able*, etc.

Final *e* is usually retained when occurring before a suffix that begins with a consonant. Paleness.

In words of more than one syllable ending in *ic*, or *iac*, omit the final *k*. Public, maniac.

In words of two or more syllables, when final *c* (hard) follows any vowel, other than *i* or *ia*, *k* is added. Hammock. Exceptions: almanac, havoc.

If any word ending in *c* (hard) takes a suffix that begins with *i*, *e*, or *y*, add *k* before the suffix. Trafficking.

Derivatives, when formed by prefixing one or more syllables to words that end in a double consonant, generally retain both consonants. Ebb-ing.

Derivatives formed from words that end in *ie* change the *ie* to *y* before *ing*. Die, dying; tie, tying.

Derivatives, when formed by prefixing one or more syllables to words that end in a double consonant, generally retain both consonants. Fare-well.

A monosyllable, or a word with the accent on the last syllable, ending in a single consonant preceded by a single vowel, doubles the final consonant before a suffix that begins with a vowel. Hot-test, infer-r-ed.

When a final consonant is preceded by two vowels, or when not accented on its last syllable, it is not doubled when a syllable is added. Offer-ing, toil-ing.

RULES FOR USE OF CAPITALS

The following should begin with capitals:

Every paragraph.

Every sentence.

Every proper noun or name.

Names of places. Chicago, New York.

Points of compass. North, South; their compounds, North-East; and their abbreviations, W., N. W., when geographically applied.

The names of the Deity and Heaven, or the pronouns used for the former. Father, Thou, by His power.

Adjectives formed from names of places or the points of the compass. American, Western.

Each line of poetry.

Direct quotations.

Titles of books and important words in titles: "Wonders of the Nineteenth Century."

Names of any historical event. French Revolution.

The pronoun I and the interjection O.

Names of months May, June; and days of the week, Monday.

All addresses. Dear Sir.

Titles of honor and respect.

Every personified common noun. The Roses smile at her approach.

RULES FOR PUNCTUATION

The *comma* (,) is used:

Where the shortest pause in reading is demanded.

Wherever there is a distinct natural division of a sentence.

Where two or more words are connected without the connecting words being expressed.

Before and after every parenthetical expression.

Before a quotation closely connected with the preceding words.

Two separate expressions that are repeated.

To set off explanatory phrases or clauses.

Where words are understood unless the connection is close.

The *semicolon* (;) is used:

Where a sentence consists of several members, each constituting a distinct proposition, and yet having a dependence on one another. Some men were born great; some acquire greatness; some have greatness thrust upon them.

The *colon* (:) is used:

To divide a sentence into two or more parts that, although the sense is complete in each, are not wholly independent. Temperance begets virtue: virtue begets happiness.

After a sentence that announces a distinct quotation.

After an expression that introduces particulars.

The *period* (.) is used:

At the end of every complete and independent sentence.

After initial letters.

After abbreviations.

After numbers in Roman notation.

The *exclamation point* (!) is used:

After every exclamatory sentence, clause, or word.

The *interrogation point* (?) is used:

After every sentence, phrase, clause, or word that denotes
a direct question.

Expressions of sarcasm or unbelief. He is a brave (?) man.

The *dash* (—) is used:

When the subject breaks off suddenly. He stopped—went
on—stopped.

To show the omission of words, letters, and figures.

Oftentimes in place of parenthesis.

Before an expression repeated for emphasis.

The *hyphen* (-) is used:

Between the two parts of a compound word. Self-respect.

To denote the division of a word at the end of a line.

In dividing a word to show the pronunciation. Syl-la-ble.

The *apostrophe* (') is used:

To show possessive case; to show the omission of letters.

Quotation marks (" ") are used:

To enclose quotations.

PROOF READING

Every business man and office worker should know something about correcting proof as it is done in printing offices. By making corrections in a similar way to that used by printers, much time will be saved for both the writer of the copy and the printer.

Make all corrections on the proof margin and directly in a line with the place of its insertion. Take pains to write plainly and never write within the text, for the chances are that such corrections will not be seen by the printer.

Study carefully why each correction is made and how it is done, and endeavor to follow that form hereafter when you have proof to correct.

When a word or a letter is to be changed, of course the old one is crossed out and the new one written in the margin. So much seems to need no explanation.

THE LOST ARTS.

Ladies and Gentlemen:

I am to talk to you tonight about The Lost Arts—a lecture which has grown under my hand year after year, ~~after year~~, and which belongs to that first phase of the lyceum system, before it undertook to meddle with political duties or angry and dangerous questions of ethics; when it was merely an academic institution, trying to win busy men back to books, teaching a little science, ~~or~~ repeating some tale of foreign travel, or painting some great representative character, the symbol of his age. I think I can claim a purpose beyond a moment's amusement in this glance at early civilization. I, perhaps, might venture to claim that it was a medicine for what is the most of our national character; and that is self-conceit, an undue appreciation of ourselves, an exaggerated estimate of our achievements, of our inventions, of our contributions to popular comfort, and of our place, in fact, in the great procession of the ages. We seem to imagine that, whether knowledge will die with us, or not, it certainly began with us.

We have a pitying esteem, a tender compassion, for the narrowness, ignorance, and Darkness of the bygone ages. We seem to monopolize not only to ourselves, but to have begun, the era of light. In other words, we are all running with a fourth-day-of-July spirit of self-content. I am often reminded of the German whom the English poet Coleridge met at Frankfort. It seems to me, the American people might be painted in the chronic attitude of taking of its hat to itself, and therefore it can be no waste of time, with an audience in such a mood, to take their eyes for a moment from the present civilization, and guide them back to that earliest possible era that history describes for us, if it were only for the purpose of asking whether we boast on the right line.

I might despair of curing the habit of boasting, but I might direct it better,

Wendell Phillips.

Ant See copy.

The marks that need explanation are given in the order in which they occur in our specimen on the page preceding.

When a quadrat or space is raised so as to show a mark between words, or elsewhere, direction to push it down is given by a vertical line with a horizontal or curved line below it; thus, $\downarrow$.

The mark $\sqsubset$ indicates that the matter is to be brought to the left; the reverse $\sqsupset$ to the right.

"Caps." means that the words underscored are to be changed to capitals. The use of capital letters is sometimes directed by drawing a circle around the letter or word or by marking three lines under them. Sometimes one and sometimes the other mark is more convenient, according to circumstances. Either will be clear to those who handle the type.

The abbreviation "ital" indicates a change to italic type.

The mark # means, insert space where caret $\wedge$ is made.

The *dele*, or "out," mark $\surd$ indicates that the letters or words canceled are to be taken out.

The mark $\overline{}$ indicates that the word is to be raised, and the reverse of it that the word is to be lowered.

The abbreviation *tr.* means, transpose as indicated by mark in text.

The curved mark $\oslash$ means that the letter underscored is to be turned so as to stand right.

Tie marks $\bigcirc$ indicate closing up so as to leave no space.

A number of dots under words crossed, and *stet* written in the margin, means that what is dotted is to stand unchanged.

The direction "run back" means that the words indicated by the marks in the two lines are to be run back, each to the end of the preceding line, to allow for a more uniform space between the words of the several lines.

The insertion of the apostrophe and other superior characters are indicated by being placed in an inverted caret; thus, $\vee$. For inferior letters or characters, the caret is made in its usual position with the character within it.

A square $\square$ means, insert "em quad" or quadrat.

An imperfect letter is noted for change to a perfect one by a line under it and a cross on the margin $\times$.

A correction is suggested to the author, or vice versa, by an interrogation point (?)

The insertion of a period is marked this way ○.

Writing "No ¶" or "No break" in the margin indicates a change from the paragraph indention to continuous form.

The letters "l. c." written on the margin mean that the matter underlined is to be changed to lower-case type.

||, justify the lines—that is, straighten the margin.

Where a number of words are to be compounded, the hyphens are marked on the margin, one after the other.

A logotype character is indicated by a tie, as *ff*.

A mark *y*' at the top, between two words, means that less space is wanted there; it is made when the spacing between words in the line is uneven, and of course it goes without saying that what is taken out is to be inserted in other places, so as to equalize the spacing. Many proof readers use other marks for this purpose, even taking the trouble to write "even space" on the margin.

The slanting marks on a few lines near the bottom indicate need for straightening.

"Rom." means roman type.

A "lead" is a thin metal strip often used between the lines of type. One is to be inserted between the fifth and the sixth line from the bottom, where there is none, and one is to be taken out between the third and the fourth line from the bottom, where there are two.

A wrong-font type (one of a face not proper to the text) is marked "w. f."

Writing "s. c." or "s. caps" in the margin, or two lines under a letter or word, means small capitals.

Change of a word or letter is indicated by a line drawn through the faulty matter, the word or letter to be substituted being written opposite on the margin; omitted words or letters are indicated in the same manner, a caret *^* being placed where the insertion is to be made.

If too much matter has been omitted by the compositor to be conveniently written on the margin of the proof, "Out, see copy" is written, and the place for insertion indicated as shown.

POSTAL INFORMATION

CLASSES OF MAIL MATTER; RATES OF POSTAGE

First-Class Matter.—On matter that is wholly in writing, sealed or unsealed, printed commercial papers, filled out in writing, having the nature of personal correspondence, or being the expression of money value, such as notes, drafts, receipts, executed deeds, and insurance policies, manuscripts for publication when unaccompanied by proof sheets, reproductions by the copygraph and similar processes, which are in the nature of personal correspondence, or imitating written matter, and all packages the contents of which cannot be ascertained without destroying the wrapper, the postage is 2 ct. for each ounce, or for each fraction thereof. On local or drop letters at offices where there is no free delivery by carrier, 1 ct. Weight of packages not limited. Postal cards, 1 ct.

Second-Class Matter.—This class includes all newspapers, periodicals, or matter exclusively in print and regularly issued at stated periods from a known office of publication or news agency. Postage, 1 ct. a pound or fraction thereof. Weight of packages not limited. The only writing or print that may be enclosed with or on such matter is: Name and address of publishers, and of the party addressed; index or expiration figures; printed title and office of publication; corrections of typographical errors; marks to call attention to any passages; the words "sample copy" or "marked copy"; and bills, receipts, and subscription orders, which, however, must contain no other information than the name, place of publication, subscription price, and subscription due. The number of copies contained in the package may be noted.

Transient newspapers and periodicals that have been entered as second-class matter, 1 ct. for 4 oz. or fraction thereof.

Third-Class Matter.—Mail matter of the third class embraces books (printed and blank), circulars, and other matter wholly in print, proof sheets and corrected proof sheets and

manuscript copy accompanying the same, handbills, posters, chromolithographs, engravings, heliotypes, lithographs, photographic and stereoscopic views, with the title written or printed thereon, printed blanks, printed cards. Postage, 1 ct. for each 2 oz. or fractional part thereof.

Third-class matter must admit of easy inspection, otherwise it will be charged letter rates on delivery. It must be fully prepaid, or it will not be forwarded. The limit of weight is 4 lb., except single books in separate packages, on which the weight is not limited. It is entitled, like matter of the other classes, to special delivery when special-delivery stamps are affixed in addition to the regular postage.

On mail matter of the third class, or on the wrapper or envelope enclosing the same, or the tag or label attached thereto, the sender may write his own name, occupation, and residence or business address, preceded by the word *from*, and may make marks other than by written or printed words, to call attention to any word or passage in the text, and correct any typographical errors. There may be placed on the blank leaves or cover of any book or printed matter of the third class, a simple manuscript dedication or inscription not of the nature of personal correspondence. On the wrapper or envelope of third-class matter, or the tag or label attached thereto, may be printed any matter mailable as third class, but there must be left on the address side a space sufficient for the legible address and necessary stamps.

Fourth-Class Matter.—Mailable matter of the fourth class embraces blank cards, cardboard, and other flexible patterns, letter envelopes and letter paper, merchandise, models, ornamental paper, sample cards, samples of ores, metals, minerals, drawings, plans, designs, original paintings in oil or water colors, and any other matter not included in the first, second, or third class, and which is not in its form or nature liable to destroy, deface, or otherwise damage the contents of the mail bag, or harm the person of any one engaged in the postal service; or matter excluded by Sections 3,893 and 3,894 Revised Statutes, to wit: obscene matter and matter concerning lotteries. Postage rate thereon, 1 ct. for each ounce or fractional part thereof.

Other articles of the fourth class, which, unless properly secured, might destroy, deface, or otherwise damage the contents of the mail bag, or harm the person of any one in the postal service, may be transmitted in the mails when they conform to the following conditions: (1) They must be placed in a bag, box, or removable envelope made of paper, cloth, or parchment; (2) such bag, box, or envelope must again be placed in a box or tube made of metal or some hard wood, with sliding clasp or screw lid; (3) in case of articles liable to break, the inside bag, box, or envelope must be surrounded by sawdust, cotton, or spongy substance; (4) in case of sharp-pointed instruments, the points must be capped or encased, and when they have blades such blades must be bound with wire; (5) the whole must be capable of easy inspection. Seeds, or other articles not prohibited, which are liable from their form or nature to loss or damage unless specially protected, may be put up in sealed envelopes, provided such envelopes are made of material sufficiently transparent to show the contents clearly without opening.

On any package of matter of the fourth class, the sender may write or print his own name and address, preceded by the word *from*, and there may also be written or printed the number and the name of the articles enclosed; and the sender thereof may write or print on or attach to any such articles, by tag or label, a mark, number, name, or letter, for purpose of identification, and any matter not in the nature of personal correspondence may be printed on the wrapper or label, or be enclosed within.

Registration.—All kinds of postal matter may be registered at the rate of 8 ct. for each package, in addition to the regular rates of postage, to be fully prepaid by stamps. Each package must bear the name and address of the sender, and a receipt will be returned from the person to whom addressed. Mail matter can be registered at all post offices in the United States.

All matter concerning lotteries, gift concerts, or schemes devised to defraud the public, or for the purpose of obtaining money under false pretenses, is denied transmission in the mails.

The franking privilege was abolished July 1, 1873, but the following mail matter may be sent free by legislative saving clauses:

1. All public documents printed by order of congress, the Congressional Record and speeches contained therein, franked by members of congress, or by the secretary of the senate, or by the clerk of the house.

2. Seeds transmitted by the secretary of agriculture, or by any member of congress, when procured from that department.

3. All periodicals sent to the subscribers within the county where printed, except when sent to free-delivery offices.

4. Letters and packages relating exclusively to the business of the government of the United States, mailed only by the officers of the same, publications required to be mailed to the librarian of congress by the copyright law, and letters and parcels mailed by the Smithsonian Institution. All these must be covered by specially printed "penalty" envelopes or labels.

5. The vice-president, members and members elect, and delegates and delegates elect to congress may frank any mail matter, not over 1 oz. in weight, on official or departmental business.

All communications to government officers and to members of congress must be prepaid by stamps.

MONEY ORDERS

Money in sums not exceeding \$100 can be sent with safety through the principal post offices of the United States by buying post-office money orders. The rates are as follows:

For domestic money orders: For sums not exceeding \$2.50, 3 ct.; over \$2.50 and not exceeding \$5, 5 ct.; over \$5 and not exceeding \$10, 8 ct.; over \$10 and not exceeding \$20, 10 ct.; over \$20 and not exceeding \$30, 12 ct.; over \$30 and not exceeding \$40, 15 ct.; over \$40 and not exceeding \$50, 18 ct.; over \$50 and not exceeding \$60, 20 ct.; over \$60 and not exceeding \$75, 25 ct.; over \$75 and not exceeding \$100, 30 ct.

For foreign money orders: For sums not exceeding \$10, 10 ct.; over \$10 and not exceeding \$20, 20 ct.; over \$20 and not exceeding \$30, 30 ct.; over \$30 and not exceeding \$40, 40 ct.; over \$40 and not exceeding \$50, 50 ct.; \$50 to \$60, 60 ct.; \$60 to \$70, 70 ct.; \$70 to \$80, 80 ct.; \$80 to \$90, 90 ct.; \$90 to \$100, \$1.

SPECIAL DELIVERY

Affixing a special-delivery stamp of the value of 10 ct. to any letter or package insures its immediate delivery by messenger on reaching destination. This now applies to all post offices in the United States.

POSTAL DISTANCES AND TIME BETWEEN NEW YORK AND OTHER CITIES OF THE UNITED STATES

The distances by the shortest routes and the time by the fastest trains between New York City and the points indicated are given by the Official Postal Guide as follows:

<i>Cities in United States</i>	<i>Miles</i>	<i>Hours</i>
Albany, N. Y.	142	3½
Atlanta, Ga.	882	24½
Baltimore, Md.	188	6
Binghamton, N. Y.	207	5½
Bismarck, N. Dak.	1,738	60½
Boise, Idaho	2,736	92½
Boston, Mass.	217	7
Buffalo, N. Y.	410	9½
Cape May, N. J.	172	5
Carson City, Nev.	3,036	109½
Charleston, S. C.	804	21½
Chattanooga, Tenn.	853	32
Cheyenne, Wyo.	1,899	54
Chicago, Ill.	900	23
Cincinnati, Ohio	744	23
Cleveland, Ohio	568	19½
Columbus, Ohio	624	20
Concord, N. H.	292	9½
Deadwood, S. Dak.	1,975	65½
Denver, Colo.	1,930	61½
Des Moines, Iowa	1,257	37½

Detroit, Mich.	743	21
Galveston, Tex.	1,789	56½
Harrisburg, Pa.	182	6
Hartford, Conn.	112	4
Helena, Mont.	2,423	89
Hot Springs, Ark.	1,367	55
Indianapolis, Ind.	808	23
Jacksonville, Fla.	1,077	32
Kansas City, Mo.	1,302	38¼
Louisville, Ky.	854	30
Memphis, Tenn.	1,163	40
Milwaukee, Wis.	985	29½
Montgomery, Ala.	1,057	30½
Montpelier, Vt.	327	10¼
New Orleans, La.	1,344	40
Omaha, Neb.	1,383	43
Philadelphia, Pa.	90	3
Pittsburg, Pa.	431	13
Portland, Me.	325	12
Portland, Ore.	3,181	114½
Prescott, Ariz.	2,724	94
Providence, R. I.	189	6
Richmond, Va.	344	11¼
St. Louis, Mo.	1,048	29
St. Paul, Minn.	1,300	37
Salt Lake City, Utah	2,452	71½
San Francisco, Cal.	3,250	106
Santa Fe, N. Mex.	2,173	82
Savannah, Ga.	905	26
Seranton, Pa.	146	4½
Tacoma, Wash.	3,209	102
Topeka, Kan.	1,370	48
Trenton, N. J.	57	2
Vicksburg, Miss.	1,288	50
Vinita, Ind. T.	1,412	42
Washington, D. C.	228	6½
Wheeling, W. Va.	496	14¼
Wilmington, Del.	117	5
Wilmington, N. C.	593	20

POSTAL DISTANCES AND TIME BETWEEN NEW YORK AND FOREIGN CITIES

<i>By Postal Route to</i>	<i>Miles</i>	<i>Days</i>
Adelaide, via San Francisco	12,845	34
Alexandria, via London	6,150	13
Amsterdam, via London	3,985	9
Antwerp, via London	4,000	9
Athens, via London	5,655	12
Bahai, Brazil	5,870	21
Bangkok, Siam, via San Francisco	12,990	43
Batavia, Java, via London	12,800	34
Berlin, via London	4,385	9
Bombay, via London	9,765	24
Bremen, via London	4,235	8
Buenos Ayres	8,045	29
Calcutta, via London	11,120	26
Cape Town, via London	11,245	27
Constantinople, via London	5,810	11
Florence, via London	4,800	10
Glasgow	3,375	10
Greytown, via New Orleans	2,810	7
Halifax, N. S.	645	2
Hamburg, via London	4,340	9
Hamburg, direct	4,820	9
Havana	1,413	3
Hong Kong, via San Francisco	10,590	25
Honolulu, via San Francisco	5,645	13
Liverpool	3,540	8
London, via Queenstown	3,740	8
London, via Southampton	3,760	8
Madrid, via London	4,925	9
Melbourne, via San Francisco	12,265	32
Mexico City (railroad)	3,750	5
Panama	2,355	7
Paris	4,020	8
Rio de Janeiro	6,204	23
Rome, via London	5,030	9
Rotterdam, via London	3,935	9
St. Petersburg, via London	5,730	10

Shanghai, via San Francisco	9,920	25
Stockholm, via London	4,975	10
Sydney, via San Francisco	11,570	31
Valparaiso, via Panama	5,910	37
Vienna, via London	4,740	10
Yokohama, via San Francisco	7,348	20

DEFINITIONS OF FINANCIAL TERMS

"A" Bond.—One of the first of a series designated by the letters of the alphabet.

Above Par.—Shares of stock, bills of exchange, bonds, etc. are said to be above par when their market value is greater than their face value; conversely, when the market value is less than the face value, they are said to be below par.

Absolute Indorsement.—An unqualified indorsement binding the indorser to pay on due notice that the maker has failed to do so.

Absorbed.—When an authorized amount of stocks, bonds, etc. has been subscribed for, they have been taken up, or absorbed, by the market.

Accrued Dividend.—Such part of a regular dividend as has accumulated at any given time before it has been declared and is payable.

Actual Assets.—Assets of a positive value.

Adjustment Bond.—A bond issued for funds to make improvements. Such bonds may be a first lien on the new property, or a second lien on the improved property.

Adjustment Mortgage.—This is also the pledge for money to be devoted to improvements, and is secured in the same way as an adjustment bond.

Assets.—Property of any kind applicable to the payment of debts.

Bear.—A speculator who believes in lower prices; one who sells stock short in expectation of buying it back at a lower price.

Bearing the Market.—Working to force prices down.

Bid and Asked Quotations.—The quotations furnished by the experts on the various stocks, based on the transactions of the day on the stock exchange.

Blanket Mortgage.—A mortgage covering all the property of the mortgagor.

Bond.—An interest-bearing debt certificate; may be secured by mortgage or otherwise.

Bonded.—A corporation is bonded when it issues bonds under some form of guaranty.

Bonus.—An additional allowance.

Books Open.—The books of a company are open so long as the transfer of ownership of stock can be made on the records. Transfer books are closed a short time before annual meetings or dividend periods, when only stockholders of record are entitled to vote or receive dividends.

Book Value.—The value based on earnings; it may be greater or less than the original value.

Branch Bank.—In many countries, notably in Canada, banks are required to have a large amount of capital, which is excessive for small communities. In order that these places may not be without banking facilities, institutions with the required capital are permitted to open branches there. The national bank act does not authorize branch banks in the United States, the same purpose being served by regulating the amount of capital according to the size of the community. Sometimes, however, large banks acquire control of others, which thus practically become branch banks.

Bucket Shop.—A place where bets are made in regular exchange quotations.

Bucketing of Stocks.—Sales by a broker, for his own account and risk, against customers' purchases or purchases by the broker against customers' sales.

Budget.—An English term for the statement of the probable revenues and expenditures and the financial proposals for the coming year as presented to or passed on by a legislative body.

Bull.—A speculator who believes in higher prices; one who buys stock in the expectation of selling it at a higher price.

Bulling the Market.—Working to advance prices.

Buyer Four, Ten, Twenty, Etc.—The meaning of this term is that a buyer may demand the delivery of stock within the number of days specified, by giving 1 day's notice. No option is given for less than 4 nor for more than 60 days.

By-Laws.—Rules adopted by a corporation or other association for the regulation of its affairs, subordinate to its constitution or charter.

Call.—In financial circles, a written option, or contract, binding a party to deliver to the holder, if demanded within a specified time, certain stocks or other securities at a fixed price.

Called Bond.—Bonds are frequently issued with the privilege of redemption after a specified time. When notice is given of the intention to exercise this right, interest on such bonds cease, and they become called bonds.

Call Loan.—A loan payable on demand.

Capital.—The money or other wealth employed in or available for a business.

Cash Assets.—Cash on hand or in bank and securities readily converted into money.

c. i. f.—These letters in connection with an amount mean that cost, insurance, and freight are included.

Circular Letter of Credit.—A letter stating that the person named therein has a certain amount of money to his credit, which he is authorized to draw from correspondents of the issuer, in such sums as he may require. It is commonly called a *traveler's letter of credit*. The letter is signed by the holder in the presence of the issuer, and again each time it is presented to a correspondent.

Classified Bonds.—Bonds are frequently divided into two or more classes, which may be for the purpose of designating those of different dates of issue or those on which a certain rate of interest is paid before the next is entitled to receive consideration.

Classified Stock.—Stock may be of two kinds, common and preferred, the preferred stock often being further classified into first preferred, second preferred, and occasionally into third preferred.

Close Corporation.—This is the name an incorporated

company is known by when its stock is not for sale, because of an agreement among the stockholders not to dispose of stock without the consent of the others, or because of some other reason.

Closed for Dividend.—Said of books when they are not open for transfer of ownership of stock at a dividend period.

Collateral Loan.—A loan secured by the deposit of stocks, bonds, etc. of a recognized market value.

Collection Charge.—A charge for collecting checks, notes, or drafts drawn on out-of-town points.

Commercial Paper.—Negotiable paper, such as drafts, notes, etc.

Community of Interest.—Joint interest, control, or ownership for mutual benefit.

Consignee.—A party to whom goods have been sent.

Consignment.—Goods sent by one party to another for care, sale, or shipment.

Consol.—A term for the stock into which the funded debt of Great Britain has been consolidated.

Consolidated Bond.—A bond issued to replace two or more bonds previously issued.

Consolidated Mortgage.—A mortgage for the same purpose as the consolidated bond.

Construction Account.—The account that shows the capital invested in the building and equipment of a manufacturing plant or railroad.

Continued Bond.—A bond on which interest does not cease at maturity and that may be held indefinitely.

Controlling Company.—The company that controls others by holding a majority of stock.

Corner.—Control of a commodity so as to be able to fix its market price.

Coupon.—A ticket showing the interest due on a bond on a certain date and that may be detached and presented for payment.

Coupon Bond.—A non-registered bond, payable, principal and interest, to bearer.

Crossed Check.—A check across the face of which is written between parallel vertical lines, the words "and company," or

which bears two parallel transverse lines, between which may or may not be written the words "not negotiable." It is in general use in England, but not in the United States.

Current Assets.—These are assets subject to change from day to day, such as cash on hand, bills receivable, etc.

Current Liabilities.—Liabilities changeable from day to day.

Dating.—The dating ahead of a bill so as to extend credit for a longer time than that ostensibly granted.

Dead Assets.—Assets that have ceased to be of value.

Debenture.—A certificate of debt; if unsecured by a mortgage, it is simply a promissory note.

Deferred Bond.—A bond on which the payment of interest has been postponed for a definite time.

Demurrage.—A charge for delay in loading or unloading cars or vessels.

Direct Liabilities.—Liabilities that are definitely fixed and not dependent on contingencies.

Dividend.—The profit of a business that it has been determined to distribute among the shareholders.

Dividend Off.—An expression meaning that a dividend due is not included in the transfer of stock.

Dividend On.—Includes the dividend due.

Divisional Bond.—A bond secured by a mortgage on the property of one division of a railroad.

Domestic Exchange.—The transfer of value or credits between cities and towns in the same country.

Double-Name Paper.—Indorsed paper.

Drawback.—An allowance, or rebate.

Drawn Bonds.—Bonds selected for redemption by lot, or drawing, from the total issue, at such times as a given number are to be redeemed.

Equipment Bonds.—Mortgage bonds given for funds to equip a railroad with rolling stock, etc.

Equity.—The difference between the encumbrance on a property and its value.

Exchange.—The transfer of value from one country to another, or from one locality to another in the same country, without the actual payment of money, by credits, drafts, etc.

Ex-Coupon.—Said of a bond when it is sold without the coupon for the interest for the current period.

Ex-Dividend.—Without dividend; the way in which stocks are usually sold at dividend periods when the books are closed to registrations of transfers of ownership.

Ex-Drawing.—A bond sold in this way does not convey to the purchaser any advantage that it may have if drawn for redemption.

Ex-Interest.—The way in which registered bonds are sold when the books are closed.

Ex-Rights.—Without the option of the original holder of stock to subscribe to new issues.

Ex-Ship.—A term meaning free of all charges up to and including the unloading of merchandise from a vessel.

Ex-Store.—Subject to all charges after leaving the ware-room.

Extended Bond.—One on which, at the period originally fixed for maturity, the time for it to run has been extended at the same or a different rate of interest.

Extension Bond.—A mortgage bond for the increase of property of a corporation.

Finance Committee.—The committee that directs the investments.

Financial Statement.—A tabular statement giving the standing of a business; that is, the assets and liabilities and profit and loss.

First Mortgage.—A mortgage that takes precedence over all others and must be satisfied first.

First-Mortgage Bond.—A bond secured by a first mortgage.

Fiscal Year.—The financial year of a government or of a business. The financial, or fiscal, year of the United States government is from July 1 to the 30th of the following June.

Fixed Capital.—Property that has come to its final form and that can be used many times in production, as lands and plant.

Fixed Charge.—An established charge for interest, rental, taxes, etc., that is due at certain times, the amount of which is known in advance.

Fixed Debt.—A positive debt of a known amount, of a more or less permanent character.

Floating Bonds.—The disposal or marketing of an entire or the greater part of an issue of bonds.

Floating Debt.—Not fixed or permanent; a debt of a fluctuating amount.

Floating Stock.—Same as floating bonds.

f. o. b.—Free on board; without charge for delivery on board cars.

Forced Loan.—A loan made through force of circumstances. Such a loan is occasionally made by a bank when it has paid an overdraft and the party is not immediately able to make up the deficiency.

Foreign Exchange.—The transfer of value or credits between places not in the same countries.

Founders' Shares.—It was formerly the custom to give the founders or promoters of a company what were termed founders' shares, which were generally common stock, payable out of the surplus profits. The practice is no longer prevalent.

Free Overside.—Without charges up to and including the unloading of a vessel.

Full-Paid Stock.—Stock for which the full amount has been paid.

Full Stock.—Stock of the par value of \$100.

Funded Debt.—Debts converted into a permanent loan or into bonds payable with interest.

General Mortgage.—Same as blanket mortgage.

General-Mortgage Bond.—A bond secured by a general mortgage.

Gold Bond.—A bond for which it is provided the principal and interest shall be paid in gold.

Government Depository.—A national bank designated by the United States government as a place of deposit of its funds.

Gross Earnings.—The entire earnings, for which no deductions have been made for expenses or other reason.

Guaranteed Bond.—A bond on which the principal and interest is guaranteed by a company other than the issuer.

Guaranteed Stock.—Stock on which dividends have been guaranteed by another company.

Hypothecation.—The deposit of movable personal property, such as stocks or bonds, together with the title to them for the security of a loan.

Improvement Bond.—A mortgage bond issued for funds to make improvements.

Indorsed Bond.—A non-registered coupon bond payable to bearer and containing an indorsement of the owner not properly belonging on it. Such a bond, according to the rules of the New York stock exchange, will not be accepted except as an indorsed bond.

Industrial Stock.—Stock of a concern engaged in manufacture.

Interim Dividend.—A partial dividend made before the full amount of the dividend is ascertained and declared.

International Stock.—A stock recognized by the exchanges of foreign countries.

Investment Securities.—Securities regarded as a good form of permanent investment.

Iron-Clad Note.—A note of the most binding character; a collateral note required by banks from borrowers.

Irredeemable Bond.—A bond for which there is no provision for redemption and on which interest must always be paid. Such bonds are now seldom or never issued.

Issue.—Original delivery; also, the total amount of stocks or bonds disposed of by a company and for which it is liable.

Joint Bond.—A bond binding two or more parties jointly to fulfil the contracts, of themselves jointly or of another for which they have made themselves responsible.

Joint Mortgage.—A mortgage covering the property of two or more parties.

Judgment Note.—A promissory note coupled with a warrant of attorney authorizing the entry of a judgment without process of law against the maker in case of non-payment when due.

Land-Grant Bond.—A bond secured by a mortgage on a grant of land by the government to aid in the building of a railroad for the development of that part of the country.

Land-Grant Mortgage.—See LAND-GRANT BOND.

Leased Line.—A railroad operated by another under a lease.

Limited Liability.—Liability limited to the assets of a company.

Liquid Assets.—Cash and such other assets as are quickly converted into cash.

Listed Stocks.—Stocks that have been placed on the list of those regularly dealt in by an exchange.

Long and-Short-Haul Clause.—A provision of the interstate commerce law that makes it unlawful for a railroad company to discriminate in freight rates by charging one party more for a short haul than another for a long haul under the same conditions.

Merger Company.—A company organized to absorb others, which is accomplished by issuing stock of the new company to replace that taken up.

Mileage.—The number of miles of a railroad, or the distance traveled.

Mortgage.—A lien on land or other property as security for the performance of some obligation, to become void on such performance.

Municipal Bond.—A bond issued by a town or city.

Negotiable Instrument.—A check, draft, or promissory note that may be transferred to another by assignment, indorsement, or delivery.

Net.—The actual amount after all deductions have been made.

Net Cash.—The commonly accepted meaning of the term is immediate payment.

Net Earnings.—The earnings after all deductions to which the gross earnings are subject have been made.

Net Income.—Same as net earnings.

Net Profit.—Same as net earnings.

Nominal Assets.—Inconsiderable assets.

Non-Assented Stock or Bonds.—Said of stock or bonds when the owners withhold assent to a plan of readjustment of the affairs of a corporation and refuse to deposit their securities under the agreement adopted.

Non-Assessable Stock.—Stock not subject to assessment.

Non-Cumulative Stock.—Stock on which dividends do not

accumulate at the subsequent period if not paid at the previous one.

Non-Interest Bearing.—Not interest bearing.

No Protest.—These words on a note or draft mean that it is not to be protested if not paid.

Obligatory Bond.—Any bond on which interest at a fixed rate is payable periodically.

Operating Company.—A subsidiary company operating a railroad, whose stock or a majority of it is owned or controlled by another company.

Option.—The purchased privilege of receiving or delivering securities, commodities, land, etc. at a specified price within a certain time.

Optional Bond.—A bond that the issuer has the option of redeeming at an earlier date than maturity.

Overcapitalized.—Capitalized for an amount not warranted by the conditions.

Overdraft.—The drawing on an account for an amount greater than that standing to the credit of the drawer.

Overissue.—An issue in excess of that authorized.

Overlying Mortgage.—A mortgage placed on a property after another; generally, a second mortgage.

Paid-Up Stock.—Stock paid for in full.

Paper Profits.—Profits as they appear from the conditions in transactions not yet closed.

Parent Company.—A company owning or controlling subsidiary companies.

Participating Bond.—A bond that, in addition to the guaranteed interest, is entitled to participate in the distribution of profits.

Passing a Dividend.—Failure to make a periodical dividend.

Passive Bond.—A non-interest-bearing bond that entitles the owner to a stated advantage, such as a fixed income.

Plain Bond.—An unsecured bond in the nature of a promissory note.

Plant.—The equipment for the business of a company, consisting of the machines, tools, etc., and usually the lands and buildings; in the case of a railroad, the plant includes the rolling stock.

Pool.—A combination for speculative purposes, the losses or gains to be shared according to agreement; also, a combination to fix rates to prevent ruinous competition.

Postdated.—A paper dated later than the day it is actually made.

Premium.—The amount by which the actual value exceeds the par value.

Promoter's Stock.—Stock issued to a person for his labor in securing the capital to organize a company.

Proprietary Company.—A controlling company.

Protest Waived.—These words written on a paper by an indorser makes it unnecessary to protest it to hold him for payment.

Proxy.—A written authorization for one person to represent another or to vote in his stead; also, the person so authorized.

Put.—A contract by which one person, in consideration of the payment of money, acquires the privilege, or option, to deliver, or put, some article to another within a certain time at a stipulated price.

Quotation.—A price quoted or current. In the stock market, quotations for stock are made in eighths of 1 per cent.; for pork, lard, etc., in eighths of a cent; for cotton and coffee, in hundredths of a cent; for silver bullion, in eighths of a cent.

Redeemable Bond.—A bond that may be redeemed after a specified time.

Redeemable Drawing.—A drawing to decide which bonds are to be redeemed at the time fixed for the redemption of a certain number of the entire issue.

Registered Bond.—A bond bearing the name of the owner and so registered, which makes it transferable by indorsement only.

Registered Coupon Bond.—It is unusual to register coupon bonds, but when such is the case, the principal is payable to the owner only, while the interest coupons are payable to bearer.

Registered Stock.—In England, a certificate of stock is not a negotiable instrument. It is registered in the name of the owner on the books, where his signature is required in case of transfer; the certificate is also surrendered.

Registrar.—The keeper of the register or records of the names of the owners of certificates and whose duty it is to certify that the name signed to the transfer is that of the registered owner.

Released Indorsed Bond.—A coupon bond that has been indorsed as collateral security and bearing an acknowledgment of release certified to by a notary public.

Reorganization.—A new organization to put a business on a more sound basis; usually, on account of insolvency.

Resources.—The cash and available property of any kind that may be turned into cash.

Restrictive Indorsement.—Any indorsement on a note or bill limiting its negotiability in any way, as to a particular person or for a specified purpose, as for collection.

Right.—As understood in the financial world, the expression signifies the right under an agreement to exercise some privilege, as, for instance, to subscribe for a new issue of stock in proportion to the holding of old.

Scrip.—A certificate sometimes given for a part payment on a stock subscription and exchangeable for the stock certificate itself when the full amount is paid; also, the name for fractional paper currency at one time in circulation in the United States, but which is no longer issued by the government.

Seasoned Securities.—Securities that a long period has proved to be stable.

Second Mortgage.—A second lien.

Second-Mortgage Bond.—A bond secured by a second lien.

Securities Company.—Same as a controlling or holding company.

Seigniorage.—The difference between the cost of bullion purchased by a government and its nominal or face value when coined.

Seller Four, Ten, Twenty, Etc.—When stock is sold in this way, the seller has the option to deliver it on any day within the specified time by giving one day's notice. See BUYER FOUR, TEN, TWENTY, ETC.

Serial Bonds.—Bonds a part of which are to be redeemed at each successive stipulated period.

Single-Name Paper.—Paper bearing the name of the maker only; another name for it is *straight paper*.

Sinking Fund.—A fund created to wipe out a debt at maturity; it is increased from time to time and invested in such a way that the principal and interest will be sufficient to take care of the obligation at the proper time.

Sinking-Fund Bond.—A bond to secure the payment of the principal of a sinking fund.

Sinking-Fund Mortgage.—A mortgage to be satisfied from a sinking fund.

Slow Assets.—Assets that require considerable time to turn into cash without a shrinkage in value.

Special Assessment Bond.—A bond payable from special taxes levied on property that has received some distinct advantage from the improvements made by the fund for which the bond was given.

Subcompany.—A subsidiary company; that is, a company owned or controlled by another.

Surplus.—Profit remaining after all expenses and dividends have been paid.

Time Loan.—A loan made for a definite time.

Ton-Miles.—An expression used in railroad circles; it means the total number of miles the total number of tons were carried.

Transfer.—Conveyance to a new owner.

Transfer Agent.—A person appointed by a corporation to make transfers of its stocks or bonds from the name of one owner to that of another.

Turn Over.—The total of a year's business, both income and outgo.

Underlying Mortgage.—A preceding mortgage.

Unfunded Debt.—The temporary debt, such as the usual running expenses, and that is not guaranteed by mortgage or other security.

With Exchange.—On a draft, these words mean that the cost of collection is to be added to the amount of the draft and paid by the party on whom it is drawn.

Working Capital.—The active money necessary to carry on a business.

X-d.—An abbreviation for ex-dividend.

MONEY AND THE MONEY MARKET

Money.—The common medium of exchange among civilized nations is called money. In a technical sense, money means coined metal, usually gold or silver, upon which the government stamp has been impressed to indicate its value. In a more general sense, it imports any circulating medium in general use as the measure and representative of value, which serves the purpose of coin in its absence or concurrently with it.

By the constitution of the United States, congress has power to coin money, and the states are forbidden to coin money or make anything but gold and silver a legal tender in payment of debt. The money of the United States consists of gold coin, standard silver dollars, subsidiary silver, copper and nickel coins, gold certificates, silver certificates, United States notes, treasury notes under the act of July 14, 1900, currency certificates, under the act of June 8, 1872, and national bank notes.

Currency means money only, but it includes both coined and paper money. The only practical distinction between paper money and coined money, as currency, is that when offered in payment of a debt, coined money must generally be accepted, while paper money may be refused, at the option of the creditor. But a payment in either, if accepted, is a payment in money.

The **lawful currency** of the country is that which may be tendered and must be accepted in the discharge of debts or other obligations. It includes all bank notes that are issued for circulation by authority of law, and are in actual and general circulation at par with coin, as a substitute for or interchangeable with it; that is, such bank notes as actually represent dollars and cents, and are paid and received for dollars and cents at their legal standard value; it does not include all coins. Foreign coins are not currency, nor are the trade dollars coined some years ago. Whatever represents less than the standard value of coined dollars and cents at par does not properly represent dollars and cents

and is not money, and is not properly included in the word currency.

By the act of March 14, 1900 (the currency act), the congress of the United States enacted that the dollar consisting of twenty-five and eight-tenths (25.8) grains of gold nine-tenths fine shall be the standard unit of value, and that all forms of money issued by the United States shall be maintained at a parity of value with this standard. United States legal-tender notes, and treasury notes issued under the act of July 14, 1890, are directed to be redeemed in gold coin of the foregoing standard, and a reserve fund of \$150,000,000 in gold coin and bullion is set aside for redemption purposes. Gold certificates, in denominations of not less than \$20, receivable for customs, taxes, and all public dues, may be issued by the secretary of the treasury on the receipt of deposits of gold of like amounts.

Silver certificates are issued only of denominations of \$10 and under, except that not exceeding in the aggregate 10% of the total volume of said certificates may be issued in denominations of \$20, \$50, and \$100. Silver bullion in the treasury of the United States purchased under the act of July 14, 1890, may be coined into subsidiary silver coins, except that the amount of subsidiary coins outstanding shall not at any time exceed the aggregate of \$100,000,000.

The term **specie** is applied to a coin, or coins, of gold, silver, copper, or other metal, issued under the government stamp declaring its, or their, denomination as current money.

Legal-tender currency means money that may be validly offered in payment of a debt. In the United States, no foreign coins are a legal tender; but domestic gold coins, silver coins for any amount not exceeding \$5 (in one payment), minor coins to the amount of 25 ct., and United States notes in payment of all debts, public and private, except for duties on imports and interest on the public debt, are legal tender. Demand treasury notes and interest-bearing treasury notes are also legal tender, except in payment of notes issued by a bank.

Coinage.—In the United States there is free and unlimited coinage of gold; that is, standard gold bullion may be

deposited at the mints in any amount, to be coined for the benefit of the depositor, without charge for coinage; but when other than standard bullion is received for coinage, a charge for refining or for copper alloy is made. Standard bullion contains 900 parts of pure gold and 100 parts of copper alloy. The coinage value of an ounce of pure gold is about \$20.67, and the coinage value of an ounce of standard gold is about \$18.60. There is no profit to the government from the coinage of gold bullion.

At the present time, subsidiary silver and standard silver dollars are coined on government account only from bullion purchased by the government. The phrase *16 to 1* means that the mint value of 16 oz. of silver shall be equal to the mint value of 1 oz. of gold. *Seigniorage* means the profit arising from the coinage of bullion. Inasmuch as at the ratio of 16 to 1 the face value of the silver dollar is much greater than its bullion, or market, value, there is a large seigniorage arising from the coinage of silver. There are $371\frac{1}{4}$ grains of pure silver in a dollar, and there are 480 grains of pure silver in a fine ounce; hence, the coinage value of a fine ounce is about \$1.29. If the fine ounce can be purchased for 50 ct., the profit on the coinage of a silver dollar is over 61 ct. At the present time there is no authority for the purchase of bullion for the coinage of standard silver dollars.

Money Market.—This is the name given to the business of lending money, and not to any particular place where money is loaned. All banks and trust companies are large lenders of money, as are also some other corporations and many individuals. Demand and supply determine the price, or rate, that must be paid for the use of the money borrowed. With a large demand and small supply, the rate is high; with a small demand and large supply, the rate is low. Money is said to be *stiff* when it commands high rates; when it is hard to obtain even at high rates, it is *tight*; and when it cannot be borrowed except at exceedingly high rates and by the payment of a premium, there is said to be a *squeeze* in the market.

Stock Exchange.—A room or building where stock brokers

meet to transact business is called a stock exchange. This name is also given to associations, usually unincorporated, organized for the purpose of providing a place in which to deal in stocks, etc. A membership in such an association is called a *seat*. The members make such rules as they deem best for the regulations of the transactions and the government of the exchange, and seats are held subject to these rules. The membership in an exchange is usually limited, therefore, though the initiation fee may be small, the price at which seats are sold is frequently high. In New York the fee is but \$1,000, yet seats have been sold at from \$75,000 to \$80,000. All stocks are not bought and sold in an exchange, but only those that have been approved by the proper committee.

The stocks so approved are divided into two departments—*listed* and *unlisted*. The former is the most important, and certain rules must be complied with before a stock can be admitted to the list. There are, however, many companies, especially industrial, unwilling to comply with these rules, yet wish to find a market for their securities; for these the unlisted department was established. The general public, however, gives little thought as to which department a stock belongs, though some newspapers, in their market reports, indicate unlisted stocks by placing a star before their names.

Curb Market.—This is an open stock market conducted “on the curb” or in the street, usually near the exchange. The stocks of many well-known companies, like the Standard Oil Company, which have never applied for admission to the exchange, are dealt in on the curb. It is here also that stocks find a market during the time between their issue and listing. The brokers’ commissions are the same as for exchange business, but as there are no rules regulating the business there are no ticker quotations.

Arbitrage.—The buying of a thing in one market, as New York, and the selling of it in another, as London, for the purpose of making a profit from the difference in prices between the two markets is called arbitrage. These dealings are most common in stocks, bonds, and exchange. When a stock is selling at a higher price in New York than in London, then

the dealer sells in New York and buys in London; when the price in both markets becomes the same he sells where he bought and buys where he sold, thus closing his operation. The difference in price that existed when he began the deal represents his profit.

BROKERS AND BROKERAGE

Terms Defined.—The necessities of trade brought forth the office of *broker*, generally defined as a person whose business is to negotiate sales or contracts as an agent, or to make sales and purchases for a commission; a middleman or intervener between buyer and seller. This employment is known as *brokerage*, a term also used to designate the compensation of brokers.

The business of brokerage is regulated largely by the customs of the trade applicable to the various classes of brokers into which the business is divided. Wherever the services of a middleman are invoked to bring about a contract brokerage exists.

Kinds of Brokers.—Conspicuous among the prominent kinds of brokers are *stock brokers*, those employed to buy and sell shares of stock of incorporated companies, government and state securities. In large financial centers, as New York, Philadelphia, and Chicago, these persons are usually associated under the name of the stock exchange, and meet in a common building or room for the convenient transaction of business. The purchase and sales of stocks are there officially recorded and published by an officer of the association, the brokers charging a commission to both buyer and seller.

Produce or grain brokers negotiate sales of grain or produce, without having the commodity actually in possession.

Real-estate brokers negotiate sales and exchanges of land, and often perform such additional duties as procuring loans on mortgage security, collecting rents, and attending to the leasing of houses.

Exchange brokers negotiate bills of exchange, and make bargains for others in matters of money or merchandise; another name for this class is *bill-and-note brokers*.

There are besides: *Insurance brokers*—those who procure insurance; *ship brokers*, who negotiate the purchase and sale of ships and their cargoes, and who adjust the terms of charter parties—contracts of affreightment, by which ship owners let their vessels to merchants for the conveyance of goods; *custom-house brokers*, persons authorized to act for parties in the entry or clearance of ships; and *pawnbrokers*, the proprietors of establishments for loaning money at a high rate of interest on personal property as security.

Powers of Brokers.—The authority of a broker is generally determined by usage. One engaged in a particular business is presumed to have authority to deal according to the well-established usages in the market or trade. Ordinarily, a broker, in addition to express power, has implied power to do everything that is reasonably necessary and proper for effectuating the purpose of his employment. If authorized to sell goods, impliedly he is empowered to sell by sample or with warranty; and, where no price is fixed, he may sell for the best price he can reasonably get. If employed to sell a promissory note, he has implied power to give all necessary information concerning the note, and his principal will be bound by any representation he may make.

A power denied to brokers is that of delegating authority without the principal's assent, because a broker is generally selected on account of his presumed skill and discretion; he cannot pledge his principal's property or sell it in his own name; he cannot himself buy it or sell it to himself; and, except in the case of stock brokers and insurance brokers, who usually collect and remit the cash to their principals, a broker cannot receive payment for goods sold by him.

Compensation.—Ordinarily, a broker's compensation is a commission or percentage on the value of the thing sold or exchanged. Where the amount of the commission is not specially fixed, the custom of the trade, at the time and place of employment, may be shown to establish the rate.

The commission charged by a broker for executing an order for a purchase or a sale is one-eighth of 1% of the par value of the securities, or, as it is commonly expressed, one-eighth each way. For a round trade (buying and selling, or

the reverse), the commission on 100 shares of stock or \$10,000 of bonds is one-fourth of 1% or \$25, \$12.50 each way.

Buying or Selling on Margins.—As illustrating the usual manner of conducting business by a stock broker, buying and selling shares of stock, or securities, grain, provisions, cotton, and other commodities on margin is important. Margin is practically a sum of money deposited by a customer with a broker, his agent, for which the broker undertakes the contract of buying or selling for his customer, the number of shares, or amount of grain, ordered. The assumption, or implied contract, in this sort of dealing is that the customer will remargin, that is, make an additional deposit or deposits, if his broker require more for the risk he takes.

The amount of the margin varies, depending on the character of the security, the condition of the market, and the customer. Usually the amount required ranges from 5% to 25% of the total value of the securities or other property, bought or sold. For instance, if the customer's order to the broker is to buy 100 shares of stock, the value of which is \$100 per share (a total value of \$10,000), the margin required is usually 10%, or \$1,000. The broker buys the stock outright and has a charge of \$9,000 against his customer, on which he charges the customer 6% interest. If the stock advance to \$110 per share (that is \$10 or ten points) and the customer directs the broker to sell, there is a profit in the transaction of \$1,000, from which the broker deducts his commissions and the interest that has been earned on the \$9,000 advanced by the broker, and pays the balance to the customer, or credits it to his account.

Duties and Liabilities.—A broker is bound, at his peril, to obey the express instructions of his principal. If he disregard them and loss ensue, he will be liable to his principal for the deficit, and no custom of trade can be invoked to extenuate his default. He is also bound to keep accurate records of his proceedings and to account to his principal in good faith.

A broker incurs no liability to third persons except that which himself causes by violating express or implied rules of the employment. For instance, if he contract on his own

name without disclosing his principal he becomes personally liable to the third party contracted with; but if the latter know, or from the circumstances should have known, that the broker acted merely as agent for another, the broker is not personally liable.

PATENTS, COPYRIGHT, AND TRADE-MARKS

Certain rights that are exclusive privileges secured, according to legal forms, to inventors or discoverers of new and useful arts, authors of literary or artistic productions, and the makers and designers of symbols, devices, or emblems by which the wares of tradesmen are identified and known to the trade, are all comprised under the terms, respectively, *patents*, *copyright*; and *trade-marks*. Included in the latter, and a species of property of the same nature, are *trade names*.

PATENTS

A patent is the grant by a government to the author of a new or useful invention, or to his assigns, of the exclusive right of exploiting that invention for a specified term of years.

In the United States, four classes of inventions are the subjects of patents, viz.: An art, a machine, a manufacture, and a composition of matter. In Great Britain, letters patent can be issued only to the inventors of a "new manufacture"; but the word *manufacture* has been defined to be "anything made by the hand of man" and judicially construed to be coextensive in signification with the whole of the four classes of inventions recognized by the United States law, thus making the field of invention in both countries coincident, and the legal subject-matter the same.

In the United States, the patent office is under the control of the department of the interior, and its head is the commissioner of patents, who has an assistant, three examiners-in-chief, a chief clerk, an examiner in charge of interferences, about two dozen principal examiners, and nearly the same number of first and second examiners.

All patents are issued in the name of the United States of America, under the seal of the patent office, and are signed by the secretary of the interior, or under his direction by an assistant secretary, and countersigned by the commissioner of patents. They are recorded together with the specifications in the patent office in books kept for that purpose.

In applying for a patent, the inventor of a complete invention must file in the patent office a petition or application in writing, drawings, when essential, and a specification, verified by oath of the applicant, all of which must be prepared in legal form, and in accordance with official rules and practice of the office.

The specification should contain a complete description of the invention in such full, concise, and exact terms as to enable any person skilled in the art and science to which it relates to make, construct, or use it. But if there be drawings or models, they are to be taken into consideration in determining whether the specification be sufficiently clear, though the scientific principles upon which the device operates need not be known to the inventor nor set forth in the specification.

The oath of the applicant is substantially that he believes himself to be the original and first inventor of the invention for which he solicits a patent, and that he does not believe that the same was ever before known or used. The applicant must also state the name of the country of which he is a citizen.

When a drawing is essential, the applicant shall furnish one copy thereof, and another, furnished by the patent office, shall be attached to the patent as part of the specification. The drawing is part of the patent. It need not be a working drawing, nor is it necessary that a machine made in accordance with it would work.

The applicant must explain what the invention is, what he claims, what he determines he is entitled to; that is, the precise character of invention must be defined and is to be read in the light of the description contained in the specification. If an invention be not covered by the claim, it will not be protected by the patent. The scope of the patent is given by the claim, and the patentee in a suit brought on the

patent is bound by his claim. It is not required by the patent office that a model shall be furnished in order to apply for a patent; but after the application is made, the office will call for a model if deemed necessary.

As soon as the application is filed in the patent office, the inventor is protected against the grant, without his knowledge, of a patent for the same thing to another person. The official receipt is issued by the patent office and sent to the inventor when the application is filed. The application receives, in its due turn, an official examination, at which time the patent-office examiner either passes it or makes such objections and cites such reference to other patents as he thinks proper. The time required to secure a decision varies. In a majority of cases a decision is secured within a month or two, but examinations frequently require a longer time, and decisions are delayed accordingly.

Two or more persons may jointly apply for a patent, if they are joint inventors. If one person be the inventor and the other an assignee of an undivided part or whole interest, the patent must be applied for in the name of the inventor alone, and he may secure the assignee in advance by executing a deed of assignment so drawn that the patent will be issued in both names. If both applicants are true inventors, they both should sign the papers, but if they are joint owners merely, the true inventor should sign the application papers, and assign the proper interest to the other party. A patent would not be valid in which one of the parties interested had signed the papers without being a coinventor.

By an assignment in writing, a patentee may grant and convey an exclusive right under the patent to make and use, and to grant to others the right to make and use, the thing patented, within and throughout some specified portion of the United States. The latter is termed a *grant*, and differs from an assignment in relation to the territorial area to which they relate. Anything less than an assignment or a grant is called a license, which is the transfer of a less or different interest. Either an assignment or a grant transfers the monopoly as well as the invention, while a license transfers only the invention and does not affect the monopoly

otherwise than by estopping the licensor from exercising his prohibitory powers in derogation of the privileges conferred by him upon the licensee.

An assignment or grant must be recorded in the patent office to protect the assignee from subsequent purchasers without notice, although, if not recorded, an assignment will be binding on the parties to it, or on others having notice thereof.

The inventor may sell and assign his invention either before he has applied for the patent or after the patent has been applied for, or after the patent has been issued. If assigned before the patent is granted, the purchaser will enjoy the right under the patent whenever it is issued.

A *caveat* is a notice filed in the patent office to prevent the issue of a patent on a particular device to any other person until the caveator shall have an opportunity to establish his priority of invention. Its purpose and effect is to protect the inventor from the granting of any patent for an interfering application without his knowledge, and gives the caveator who has exercised due diligence in reducing his invention to practice the right to carry back his invention to the date of filing of the caveat. A caveat runs for a year, and can be extended for a year. Caveats can only be filed by citizens of the United States and aliens who have resided here for one year and have declared their intention to become citizens. All caveats are secret. No one can see or obtain a copy of a caveat without the order of the caveator. A caveator can use the stamp "Caveat filed," and such sometimes assists in selling an article or securing trade.

An *interference*, in American patent law, is a conflict between two patentees or applications for patents which claim in whole or in part the same invention. The commissioner of patents must give notice of the interference of parties when, in his judgment, an application interferes with another pending application, as with any other unexpired patent; he also directs an examination to determine the priority of invention. In such controversy, the patent will be granted to him who is shown to be the first inventor, and denied to the other applicant, so far as the controverted

point is concerned; but, where the interference is between an application and actual patent, all that can be done is to grant or withhold from the applicant the patent he asks for, as there is no power in the patent office to cancel an existing patent. If the patent be granted to him, there will be two patents for the same thing; then the two parties stand on equal footing, and must settle their rights by resort to the courts.

Infringement consists in the unlawful use, sale, or manufacture of a patented article without the consent of the patentee or owner. It is not an infringement to make a patented article simply for private experimental purposes, with a view to test the sufficiency of the patent, or to improve upon the patent, or for other purposes of private investigation. It is not an infringement to take out a patent for an invention that has an improvement on a previous invention.

The criterion of infringement is substantial identity of construction or operation. Generally, whenever a person has incorporated in his structure the substance of what the patentee has invented and properly claimed, the former is responsible to the latter in damages, which may be claimed in an action brought in the circuit court of the United States.

A *reissue* of a patent takes place when errors, defects, or mistakes occur in the specification of a patent, by which it is rendered wholly or partially inoperative, or invalid. When such errors or defects are the result of inadvertence, accident, or mistake, without any fraudulent or deceptive intention, the patent may be surrendered by the patentee, and a new patent issued in proper shape to secure the real invention intended to have been patented originally.

Design patents are granted for any new and original figure, shape, or pattern for prints or fabrics of any kind, to be woven, printed, cast, or otherwise placed on or worked into any article of manufacture; also, for any new shape, form, or curve given to any tool, frame, article of manufacture, or special part of a machine that makes an article look better or sell better. The scope of the design-patent law is very broad in respect to protecting new forms for articles. In a large class of mechanical as well as ornamental devices, the

shape is really the important feature, and if the nature of the improvement is such that a mechanical patent may not be obtained, a design patent may be quite as effective. In a number of instances large business interests have been built up with a design patent as a basis. It is often desirable to obtain both a mechanical and a design patent for the same article. Every year the importance of design patents is becoming greater. This is in a great measure due to the very liberal laws now in force against infringers of this class of patents.

The American patent law contains a special provision in favor of the inventor who desires to secure patents in other countries, namely: It provides that after a home patent is allowed, the application may remain in the secret archives of the patent office for a period not exceeding six months, thus enabling the inventor to arrange for his foreign patents in advance of all other persons. But if the inventor permits the American patent to issue before he has applied for foreign patents, he loses the opportunity of obtaining them, for in many countries the patent is invalid if the invention has been previously patented elsewhere; the inventor is thus deprived of the credit and emoluments that he might easily have secured. Many valuable patents have thus been lost to inventors in European countries.

The laws of Canada are modeled, practically, after the United States patent laws, and every inducement is offered to the American inventor to procure patents there. An application must be filed in Canada within one year after date of issue of the United States patent, after which time the patent becomes public property there.

Any inventor may manufacture his invention and mark the goods "Patent applied for," or "Patent pending," after his application has been filed, without waiting for the patent to issue. In case foreign patents are thought of, this is not always a safe course to take, as there is the possibility of losing the right to obtain valid foreign patents. This occurs when the publication of the invention becomes known in certain of the foreign countries, before patents are applied for in such countries.

The *terms*, or periods of time, for which patents are granted vary in different countries. In the United States, the term is seventeen years, and by act of congress no extension is granted; in Great Britain, including Ireland, Scotland, Wales, the Channel Islands, India, British Honduras, British Guiana, Jamaica, and Cape Colony, it is fourteen years; in Canada, six years, and extensible to eighteen years by the payment of forty dollars; in Argentine Republic, Austria, Belgium, Brazil, Denmark, France, Germany, Hungary, Italy, Norway, Portugal, Russia, Sweden, Switzerland, Venezuela, it is fifteen years; in Chile, ten years; Uruguay, nine years; in the United States of Colombia, five, ten, fifteen, or twenty years, according to cost; in Barbados, seven years; in China, fourteen years. No patents are granted in Holland.

COPYRIGHT

The exclusive privilege granted to authors, composers, and the like, to print, publish, sell, and derive the profits from their intellectual productions, for a limited period, free from the interference or infringement of all other persons, is known as *copyright*. It is purely a statutory privilege founded upon the natural right of every man to reap the fruits of his own intellectual efforts, and has relation only to the time when the author has published the production to the world. Until that time, the copyright laws have no application; for, wholly independent of such laws, the author of unpublished manuscript has a common-law property in his productions which will be protected by the courts. The natural right which every person has to his ideas ceases when he publishes them to the world; therefore, they become the property of the public unless secured by copyright.

Specifically, copyright differs from *literary property*—which means the exclusive right of the owner to possess, use, and dispose of intellectual productions—the common-law ownership of the original work; whereas, copyright is the statutory right to make all copies of it that shall be made for a term of years. The common-law rights of an author to his unpublished manuscript have not been abrogated by the copyright statutes; for wanton infringement of his rights, exemplary

damages may be given. Private letters are embraced within this principle, for although the receiver has a qualified property in them, the right to object to their publication remains with the writer, although the addressee may publish them for the purpose of justice publicly administered, or to vindicate his character from an accusation publicly made.

The *persons entitled to copyright*, in the United States under the statutes, are the author, inventor, or proprietor of the things subject to copyright, and the executors, administrators, or assigns of any such persons. The privilege is extended to foreign as well as resident authors, when the laws of the country of the foreign author accord to American authors substantially the same copyright privileges as are conferred upon their own authors.

An author, inventor, or designer, within the meaning of the law, is any person who produces an original work by the result of his own intellectual labor. The work need not be wholly original in all its form and substance. It may give evidence of familiarity with some other production without forfeiting its right to be deemed original. A familiar instance is the compilation in a new and original form of material common to all writers.

Articles *subject to copyright*, under the United States copyright laws, include books, maps, charts, dramatic compositions, musical compositions, engravings, cuts, prints, photographs or negatives thereof, paintings, drawings, chromos, statuary, and models or designs intended to be perfected as works of the fine arts.

Articles that are *not subject to copyright*, under the United States laws, are: Advertisements, advertising devices, advertising novelties, blank agreements, blank cards, blank forms, blank price lists, book covers, bonds, borders, buttons, business names, contracts, coupons or coupon systems, cuts for advertisements, cuts for articles of advertisements, devices, decorative articles, dollar advertisements, drafts, emblems, engravings of manufactured articles, envelopes, flags, ideas, labels, letter heads, mechanical devices, memorandum books, mere words, names, or phrases, business names, coined phrases, names of articles, names of companies, names of

corporations, names of products, note headings, promissory notes, novelties, pass books, patterns, postal cards, record books, signs, stamps, systems, tablets, tickets of any kind, titles as such, titles of newspapers, titles of series, trade-marks, or wrappers for articles to be sold.

In England, the subjects of copyright are books, musical compositions, dramatic pieces, lectures, engravings, and works of the same kind, paintings, drawings, and photographs, and sculpture.

The word *book* means and includes every volume, part or division of a volume, pamphlet, sheet of letterpress, sheet of music, map, chart, or plan, separately published. The term is not confined to a bound volume; neither does it necessarily imply a volume written or printed, made up of several sheets and bound together. The work may be printed on only one sheet; thus, a song published on a single sheet is held to come within the meaning of the word *book* as used in the English statute; and a sheet containing diagrams for cutting dresses, and blanks for legal instruments, are held in the United States to come within the meaning of the word and are proper subjects of copyright. It is the contents of a book, under its registered title, and not the title of a book taken singly which is protected by copyright. A book, to be the subject of copyright, must be of a literary character, that is to say, it must contain reading matter, either original or compiled. Mere blank books, account books, albums, or other books containing nothing but special ruling or arrangements of columns, cannot be copyrighted.

The word *chart* as used in the copyright law refers to a form of map. An advertising card devised for the purpose of showing paints and various colors, consisting of a sheet of paper to which were attached square pieces of paper of the various colors, and some lithographic work advertising the sale of the paint, surrounding the squares, is neither a chart, engraving, or book, and therefore, by decision of court, not the subject of copyright.

A *dressmaker's pattern chart*, which represents a series of diagrams, interspersed with printed instructions as to using in taking measurements for and cutting certain parts of

women's dresses, printed on one large sheet, is held to be the subject of copyright in the United States; but in England, it has been held that the phrase "map, chart, or plan," in the English copyright law of 1842, does not include a cardboard sleeve pattern having upon it scales, figures, and descriptive words for adapting it to sleeves of any dimensions.

Both *newspapers* and *magazines* are the subject of copyright. The copyright of a newspaper is the copyright of a book. In the case of periodicals, it is the practice of newspaper publishers to enter, in addition to the regular general copyright of the periodical, a copyright of each separate contribution. Even an article published in an uncopyrighted newspaper may be copyrighted.

Photographs, under the act of congress of 1865, are expressly included in the articles subject to copyright registration. In the United States, the courts hesitate to construe a photographer as an author, though holding that such person may have his productions copyrighted. In England, the copyright law designates the producer of a photograph as an author, and, while giving the "author of any painting, drawing, or photograph" the privilege of copyright, it does not affect the right of any other person to represent any scene or object represented by any such painting, and in that country a copyright may be had on a photograph of an engraving from a picture.

Prints and labels, designed for illustrative or decorative use on articles of manufacture, though sometimes included in the general classification of subjects of copyright, are not subject to copyright registration, but must be registered in the patent office. They are defined to be any device, picture, word or words, figure or figures, not a trade-mark, impressed or stamped directly upon the article of manufacture, or upon a slip or piece of paper or other material, or to bottles, boxes, or packages to indicate the contents of the package, the name of the manufacturer or the place of the manufacture, the quality of goods, directions for use, and the like. Prints or labels that merely contain printed names, titles, or directions of use, cannot be registered, but registration is confined to prints or labels having some artistic merit or pictorial

representation. The application for registry in the patent office must be made to the commissioner of patents before the print or label is actually used, and must be signed by the proprietor or his agent. Five copies of the print or label must be filed, one of which, when duly registered, is certified under the seal of the commissioner of patents and returned to the proprietor. The certificate of such registration continues in force for twenty-eight years, and may be continued for fourteen years more upon filing a second application within six months before the expiration of the first term and complying with the other regulations governing original applications. Within two months from the date of the renewal, a copy of the record thereof must be published for four weeks in a newspaper in the United States. Before being used, it is required that all new labels and prints shall have the words, "Copyright, 190 -, by———," printed thereon.

Dramatic compositions, to be the subject of copyright, must have for their essential elements a narrative or story. A mere spectacular performance or unique stage dance, characterized by a novel arrangement of lights and shadows of drapery, cannot be copyrighted; nor does the copyright of a play protect the mechanical contrivance used in its production. In England, a descriptive or dramatic story may be copyrighted.

The privilege of copyright, in the United States, *endures for the period of twenty-eight years*, and if the author or his widow or children be living at the expiration of that time, then for the further period of fourteen years—forty-two years in all. If the author die before the expiration of the first term, leaving neither widow nor children, the copyright is limited to twenty-eight years. In England, the copyright term in books, and in printed and published dramatic pieces and music, is forty-two years from the date of publication, or for the life of the author and seven years afterwards, whichever term may be the longer. Recently a bill was offered in parliament to extend the copyright term to thirty years after the death of the author, which is the law in Germany. In Russia and France, copyright extends for the life of the author and for fifty years after. In Canada, the term of copyright is forty-two years from the date of publication.

Copyright is secured, in the United States, upon the condition that all editions of works to be copyrighted must be entirely manufactured in the United States, both as respects the setting of the type and as to the printing and binding of the work; photographs being required to be made from negatives made in the United States. The requirements for securing copyright are: (1) The deposit, on or before the day of publication, in this or any foreign country, in the office of the librarian of congress or in the mail of the United States, of a printed (or typewritten) copy of the title of the book, picture, or writing, or description of the drawing or design, and, not later than the day of publication, delivering at the said office, or depositing in the mail, two complete copies of such book, picture, or writing, or, in case of a drawing or design, a photograph of the same in cabinet size, and the proprietor of every such copyrighted book or other article must deliver at such office, or deposit in the mail, a copy of every subsequent edition wherein any substantial changes are made; (2) the printing of a notice that a copyright has been secured, on the title page, or the page immediately following, if it be a book, or on the face or front, if it be a map, chart, musical composition, print, cut, engraving, photograph, painting, drawing, chromo, statue, statuary, or model or design intended to be completed as a work of the fine arts, or on the title or frontispiece, if it be a volume of maps, charts, music, or engravings, in the following words: "Entered according to the act of congress, in the year 190—, by _____, in the office of the librarian of congress, at Washington," or in the words, "Copyright, 190—, by _____."

To complete the copyright of a book published serially in a periodical, two copies of each serial part, as well as of the completed work, if separately published, must be deposited.

Each number of a newspaper should be entered by its title, distinguished by a statement of the volume number and date of issue. The title page for the different numbers for a year can be printed with a heading written in as to the volume, number, and date, and should precede the publication.

Copyright may be secured for a projected as well as for a completed work, but no provision is made by the law for the filing of a caveat, as in the case of patents.

Application for a renewal of a copyright must be filed six months before the expiration of the first term, accompanied by a printed title, two copies of the work, the fee, and a statement of the date and place of the entry of the original copyright.

To secure a copyright in Canada, the work need not be set up in type in the dominion, but must be printed there, and the importation of plates (prohibited in the United States) is permitted there. The type may be set up in any other country, and sent in forms of electrotypes plates to Canada for printing and binding. A book, not originating in Canada, must be registered in Ottawa simultaneously with its registration in the country of its origin. Sixty days after such registration, a Canadian edition of the work must be produced.

Notices of Canadian copyright must be printed on the title page or the page immediately following in form similar to that in the United States, with the words "according to the act of parliament," instead of "according to the act of congress," ending with "at the department of agriculture." On the title page of the book should be printed the name of the publishers in England, Canada, and the United States. In the case of a map or chart, musical composition, print, cut, engraving, or photograph, the notice should appear on the face of it. If it be a volume of maps, charts, musical compositions, engravings, or photographs, the notice should be printed on the title page of the frontispiece.

Infringement of a copyright is when the whole or any material part of the copyrighted work is purloined and published without the consent of the owner. The essence of infringement is publication. There need not be the intent to derive profit from the publication; a gratuitous distribution of the offending work is just as objectionable to the copyright law as a distribution for the purposes of sale. The act of infringement consists in the dissemination of copies of what has been copyrighted.

No precise rule is laid for determining how much or how little of a copyrighted production may be used in order to constitute an infringement. The usual test is to inquire, in each case, whether the value of the original production has been sensibly diminished by the act complained of, either because the offending work may serve as a substitute for it, or because the selling qualities of the original production may be impaired by material taken from it. Every writer may make use of extracts and quotations from the works of others, but the law exacts the condition that it must be done in the legitimate exercise of mental exertion on his part deserving the character of an original work.

Abridgments of copyrighted works are not infringements, but the doctrine that an abridgment of a copyrighted work is not a piracy must be received with qualification. The question whether an abridgment is allowable is influenced by various considerations; these are whether it is made in good faith or evasively by the omission of unimportant parts and whether it will prejudice or supersede the original. A fair abridgment, though it may injure the sale of the original work, is not actionable as a violation of copyright.

To constitute a fair abridgment, within the privilege, there must be real, substantial condensation of the materials, and intelligent labor and judgment bestowed thereon, and not merely the facile use of the scissors, or extracts of the essential parts constituting the chief value of the original work. It must be in good faith an abridgment, not a treatise interlarded with citations. To copy certain passages from a book, omitting others, is in no just sense an abridgment, as the judgment is not exercised in condensing the views of the author; his language is copied.

Some similarities and some use of prior works, even to the copying of small parts, are tolerable in such books as dictionaries, gazetteers, grammars, maps, arithmetics, almanacs, accordances, cyclopedias, itineraries, guide books, and similar publications, if the main design and execution be novel and improved, and not a mere cover for piracy. In compiling such works, the materials of all, to a considerable extent, must be the same. Novelty and improvement can be

substantial in scarcely any case, unless the matter is abridged, or a material change made in the arrangement, or more modern information is added, or errors are corrected, or omissions supplied.

It appears to be well settled that there is nothing in the law of copyright to prevent any person who has obtained common materials, from the original sources, from using them in substantially the same manner, and for the same purpose, as they have been previously used, provided the arrangement is his own, and is not servilely copied from the work of another.

A copyright may be assigned by an instrument in writing, but such assignment must be recorded in the office of the librarian of congress within sixty days after its execution, in order to be valid as against any subsequent purchaser without notice of the assignment. The effect of an assignment is not to prevent the assignor from selling copies of the copyrighted article printed before the assignment and remaining unsold in his possession; the assignor parts only with what he specifically agrees to transfer, be it the exclusive right of sale for a limited time of the whole work, or for all time, or an undivided part of the copyright, retaining an interest.

TRADE-MARKS

A particular mark or symbol used for the purpose of denoting that the article to which it is affixed is sold or manufactured by the proprietor of it, or by his authority, or that he carries on business at a particular place, is a trade-mark. Thus, notice of who is the producer is given.

A trade-mark may consist of a name, a device, or a particular arrangement of words, lines, or figures, or any particular word or symbol, and it may be in any form of letters, words, vignettes, or ornamental design, or in merely coined words. But the term trade-mark cannot be applied to a mere label, although it may contain one, and may be the vehicle or embodiment of one. The object is to show the origin of the article.

If the mark be only descriptive of the nature of the article to which affixed, or of a generic nature, as hemp or cotton, it

cannot be appropriated as a trade-mark. Such words are the common property of all men. A trade-mark must be specific; it must mark the goods of the manufacturer as his goods, and not his in common with all other persons. Nor may a geographical name, as such, be protected as a trade-mark, if it be associated with a product to indicate its quality. All persons living in a town or city may use its name as an address. Therefore, there can be no exclusive appropriation of the name of a place to be used as a trade-mark for coal.

A trade-mark may consist of a fictitious name, as that of a famous person or thing, in some character or thing of fiction; as where a manufacturer of cotton cloth stamped it with the words "Roger Williams Long Cloth," or where a manufacturer of paper collars stamped them "Bismarck." And numerals, if employed arbitrarily to indicate ownership, and not grade or quality, are valid as trade-marks.

The commonest form of trade-marks are devices or symbols. Generally, any device or symbol may be protected as such mark that is arbitrary in its character and selection, and does not, by its inherent character, necessarily describe the goods on which it is employed or contain any misrepresentations of fact with reference to the goods, their origin, character, qualities, or contents; such are the marks "Warren Hose Supporter," with a cut of a garter; the word "Star" to a six-pointed star, as a trade-mark for underwear; a picture of a boy suffering with cramps, with the words "Cramp Cure."

Trade names, though not strictly trade-marks, are species of property of the same nature and will be protected in like manner; such, for instance, as the name of a firm, a corporate name, and the name of a publication. The distinction between the two is: A trade-mark owes its existence to the fact that it is affixed to a commodity; a trade name is more properly allied to the good-will of a business. A trade-mark usually relates to the thing sold, while, in addition to this, a trade name usually involves the source from which it comes, the individuality of the maker, both for protection in trade and avoiding confusion in business affairs, as well

as for securing to him the advantage of any good reputation which may have been gained.

The purpose of the law in protecting trade-marks is (1) to secure to the person who has been instrumental in bringing into the market a superior article of merchandise the fruit of his industry and skill, and (2) to protect the community from imposition and furnish some guarantee that an article, purchased as the manufacture of one who has appropriated to his own use a certain symbol or device as a trade-mark, is genuine.

Title to a trade-mark is acquired by legal adoption and use. In the United States, as soon as the mark is applied it becomes the property of him who first formally makes the application, but the better opinion is that to secure complete title, it is required that the vendor of an article must adopt a valid trade-mark, apply it to his goods with his name and address, and sell the goods in the open market in the regular course of trade.

Trade-marks are protected by registration in the United States patent office. To secure registration, the marks must be such as have been used in commerce with foreign nations or Indian tribes. This is complied with by sending a few samples of the goods, with the trade-mark affixed, to a merchant or dealer in Canada or Mexico. The trade-mark must have been adopted and used before application for registration is made, and herein it differs from the application for a patent, which cannot be successfully made for an article that has been in public use, or described in a publication for more than two years prior to the application.

The applicant for registration of a trade-mark must transmit a statement for recording to the patent office, in which shall be specified his name, domicil, location, and citizenship, also the class of merchandise and a particular description of the goods comprised in each class to which the particular trade-mark has been appropriated, a description of the trade-mark itself, with facsimiles thereof, and a statement of the mode in which the same is applied and affixed to goods, and the length of time during which the trade-mark has been used. These statements comprise the application,

which must be accompanied by a written declaration verified by the person, or by a member of the firm, or by an officer of the corporation applying, that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that such trade-mark is used in commerce with foreign nations or Indian tribes, and that the description and facsimiles presented for registry truly represent the trade-mark sought to be registered.

The application must be accompanied by the government fee. On its receipt, the patent-office officials cause it to be noted and recorded, and, if it appear to be in due form with truthful statements as to use in foreign commerce or with Indian tribes, and that it is not invalid for some reason or other, the trade-mark will be registered and a certificate of registry issued in the name of the United States of America, under the seal of the department of the interior and signed by the commissioner of patents, a record of which is kept in books for that purpose.

The certificate of a trade-mark remains in force for thirty years from its date, except in cases where the trade-mark is claimed for and applied to articles not manufactured in the United States, and in which it receives protection under the laws of a foreign country for a shorter period, in which case it shall cease to have force in the United States at the time that such trade-mark ceases to be exclusive property elsewhere. At any time within six months prior to the expiration of the term of thirty years, registration may be renewed on the same terms and for a like period.

In Canada, by the trade-mark law, a record is kept in the office of the minister of agriculture, in which book any proprietor of a trade-mark may have the same registered by complying with the law. A trade-mark may be general or specific, the latter being intended for merchandise of a particular description. A general mark endures without limitation; a specific mark endures for twenty-five years, and is renewable for similar periods.

The applicant in Canada must state whether his mark is general or specific, and is required to forward to the minister

of agriculture a drawing or description of the trade-mark in duplicate, with a declaration that the same is not in use to his knowledge by any person other than himself, at the time of adoption of it, and the fee. On registration, one of the copies of the drawing and description, signed by the minister or his deputy, duly sealed and certified, is returned to the applicant. If the application be refused, the fee, less five dollars, will be returned.

Infringement of a person's trade-mark occurs when it is used by another on articles of the same class, and the rightful owner is entitled to relief through the medium of the proper court. Questions of infringements of trade names are decided upon the same principles of law as are applicable to trade-marks. If a trade-mark be simulated in such a way as probably to deceive customers, the piracy will be checked. The remedy in the United States against trade-mark infringement is by injunction by courts of equity; but there is also provided, by statute passed in 1881, an action to recover damages for the wrongful use of any registered trade-mark.

GOVERNMENT FEES FOR PATENTS, COPYRIGHT, AND TRADE-MARKS

Patents.—The following is the schedule of the principal fees of the patent office: On filing each original application for a design patent for 3 years and 6 months, \$10; on filing each original application for a design patent for 7 years, \$15; on filing each original application for a design patent for 14 years, \$30; on allowance of an application for a design patent, no further charge; on filing each caveat, \$10; on filing each original application for a patent, \$15; on allowance for an original application for a patent except in design cases, \$20; on filing disclaimer, \$10; on filing every application for the reissue of a patent, \$30; on filing each application for a division of a reissue, \$30; on allowance of an application for the reissue, no further charge; on filing an appeal from a primary examiner or the examiner of interferences to the examiners-in-chief, \$10; on filing an appeal from the examiners-in-chief to the commissioner, \$20.

Copyright.—The fees payable to the librarian of congress are

as follows: For recording the title or description of any copy-right book or other article, 50 cents, or, in case the article be the production of a person not a citizen nor resident of the United States, \$1; for every copy under seal of such record actually given to the person claiming the copyright, or his assignment, 50 cents; for recording and certifying any instrument of writing for the assignment of a copyright, \$1; for every copy of an assignment, \$1.

Trade-Marks.—The fee for the registration of trade-marks is \$25, payable into the treasury of the United States.

CORPORATIONS

Definitions.—A corporation is an artificial person created by law, consisting of one or more natural persons united in one body under such grants as secure a succession of members without changing the identity of the body, and empowered to act in a certain capacity or to transact business of some designated form or nature like a natural person.

A corporation has an independent existence of its own and is regarded as a distinct legal entity with peculiar powers and privileges.

Manner of Creation.—Methods of incorporation are prescribed by the general laws of most states, and, in some states, in the absence of constitutional prohibition, the power to create may still be invoked through the medium of special legislation. Where general corporation laws exist, the provisions for formation of corporations comprise an application in the form of a certificate in which is contained (1) the name of the intended corporation, (2) its purposes, (3) the place or places where its business is to be transacted, (4) the number of its directors, and (5) the amount of its capital stock, if any, and the value of each share. A further provision is made that notice shall be given to the public of the intention of applying for a charter, by advertising. When all these steps shall have been taken, the certificate is then presented to the officer who has authority to grant the charter; and, if he find that the certificate is in proper form, and within the purposes named in the act, he shall approve of the same and cause a

charter to be issued. The act also generally provides that the charter so granted shall be recorded in the office of the recorder of the county where the business is to be transacted. However, there is no special form of certificate.

General Powers.—A corporation may, within the limits of the charter or act of incorporation, lawfully do all acts and enter into all contracts that a natural person may do or enter into, so that the same be appropriate as a means to an end for which the corporation was created. Generally, every corporation has the power (1) to have succession, by its corporate name, perpetually or for the period limited by statute or charter; (2) to sue and be sued in its corporate name; (3) to make and use a common seal and alter the same at pleasure; (4) to hold, purchase, and convey real and personal property for any purpose not inconsistent with the objects of its creation; (5) to appoint the necessary officers and agents; (6) to make by-laws for its government; and (7) to wind up and dissolve itself. As to the particular power of any particular corporation, or the limitations of any of the foregoing powers, there must be consulted its charter and the statutes under which it is organized.

A corporation possesses such power to contract as is expressly conferred by its charter, or as, by implication of law, is necessary for the purposes of its creation. This subject is treated somewhat in detail under "Contracts."

Ultra Vires.—When acts of corporations or their officers are spoken of as *ultra vires* (beyond the powers), it means that that is the technical designation, in the law of corporations, of acts beyond their powers, as defined by the charters or acts of incorporation by which the corporations were created. A corporate act is said to be *ultra vires* when it is not within the scope of the powers of a corporation to perform it under any circumstances, or for any purpose. It is not intended that the act is unlawful, or even such as the corporation cannot perform; simply that the corporation is not empowered to perform the particular act mentioned.

Duration of Existence.—Some states limit the time during which a corporation may exist to a certain number of years. In the absence of statutory provision, the period of existence

may be stated in the certificate, either for a limited time or perpetually.

Renewal of Charter.—Provision is usually made in the general corporation laws for the renewal of the charter on filing a certificate therefor and on complying with certain other formalities.

Franchises.—A franchise is a special privilege conferred by government on individuals or corporations. The privilege granted to incorporators to exist as a corporation is one form of franchise. Usually, however, the term is applied to the privileges granted by the municipal, state, or general government to exercise certain rights, as the right granted to a street railway to lay tracks and operate cars on certain streets. Such franchises form a part of the assets of a corporation, and may be transferred as property, unless specifically forbidden.

Membership in Corporations.—The members of a corporation are the individuals who compose it. The members of a corporation having capital stock are those who own one or more shares of stock, and are called stockholders or shareholders.

Membership by Subscription.—A subscription to stock is a contract between the corporation and the subscribers. Generally, no particular formalities are necessary to make a valid subscription. In some states, stock may be issued for labor done, or for property. If the subscription be for the stock of an intended corporation, it is binding from the time it is made, but no liability is incurred unless the necessary steps for incorporation be taken.

Officials.—A corporation is so constituted that it can act only through directors, officers, and agents. Exactly what directors and officers a corporation can have is fixed by its by-laws.

The *directors* are persons elected by the stockholders to manage and direct the affairs of the corporation. In the absence of contrary provision, either in the charter or by statute, or by-law, one who is not a stockholder can be a director; but in some states such provision is made, and, in those states, directors, to be eligible, must be stockholders.

Directors must meet and act as a board in all matters relating to the corporation. A quorum being present as provided for, a majority of the directors present may act. Within the scope of the objects and purposes of the corporation, the directors have all the powers of the corporation itself, except such powers as are retained by the whole body of stockholders; but they may exercise no power which is not properly required to perform their duties. Unless otherwise provided, the directors are not entitled to compensation for their services; but where a director is properly employed to perform services which do not pertain to his office as director, he is entitled to compensation. In some corporations where the board of directors is a large one, the by-laws provide for an executive committee selected from among their number, who act while the board is not in session.

The directors of a company are liable to the company itself for negligence, fraud, breach of trust, or acts done in excess of their authority; and they are also liable to shareholders and strangers for acts of fraud and malfeasance resulting in injury to such shareholders or strangers. Statutes in many states impose personal liability on directors for any excess of indebtedness incurred by the corporation beyond its capital stock. They are also liable for making false reports of the company's financial condition, or for any abuse of their powers. Acts beyond the scope of their powers, the attempted performance of which is discovered, may be enjoined. Where the directors act fraudulently or negligently in declaring dividends where there has been no profit, or in overissuing stock, they are personally liable to the company or to those damaged thereby.*

The officers of a corporation are usually the president, vice-president, secretary, and treasurer.

The *president* of a corporation is its chief officer and chairman of the board of directors.

The *vice-president* is the officer on whom the duties of the president devolve when the latter is absent, has died, or is unable to act, or when the office of president is vacant.

* See "Duties and Liabilities of Directors of National Banks," under "Banks and Banking."

The *secretary* is the keeper of the records and the chief clerk of the corporation.

The *treasurer* has charge of the company's funds, and is usually under bond for the faithful performance of his duties.

Receivers.—A receiver is a person appointed by a court to take into custody, control, and management the property or funds of another pending judicial action concerning them. When necessary to protect the interests of the stockholders or creditors of a corporation, when it is insolvent or being grossly mismanaged, a receiver will be appointed on the petition of any party injured thereby. The receiver represents the corporation, the stockholders, and the creditors, but he has no powers except those granted by the court. He may expend such sums of money as are absolutely essential for the preservation and use of the property in his hands; if the outlay be very large, he should apply to the court for permission to make it. He may enforce the rights of the corporation against the stockholders for unpaid subscriptions, and against the officers of the corporation for fraud. A receiver, with permission of the court, may issue *receivers' certificates*. These are acknowledgments of indebtedness issued in discharge of obligations incurred in the management of the property or in borrowing money for the maintenance and operation of the property, and are usually the first charge on the funds in the receiver's hands. They are not negotiable. The court that appoints the receiver has full discretion to fix his compensation, and will allow him for counsel fees, traveling expenses, and other reasonable disbursements. The receiver must submit accounts at frequent intervals. When his mission is fulfilled, the court will discharge him.

Dissolution.—A corporation may be dissolved either by act of the legislature, by the surrender of its charter, by the expiration of the time limit within which it was to exist, or by the forfeiture of its charter.

Foreign Corporations.—A foreign corporation is one created under the laws of any other state, government, or country. A corporation organized under the laws of New Jersey is a foreign corporation in New York.

Corporate Trusts.—As popularly understood, a trust means a consolidation, combine, pool, or agreement of two or more naturally competing concerns, which establishes a limited monopoly with power to fix the prices or rates in any industry or group of industries.

The application of the word trust to such a combination arose from the fact that it was usually formed by having the stockholders of the various combining corporations place their stock in the hands of certain trustees, who issued in return certificates entitling the stockholders to a proportionate share in the profits of the combined business. The trustees then elected the directors of all the concerns, controlled or suspended the work of any, regulated production, and endeavored to suppress competition. Inasmuch, however, as agreements, the purpose and effect of which is to restrain trade and create a monopoly have been held void by the common law and have been expressly declared illegal by statutes in many states, such trusts were held illegal as being in restraint of trade. The Federal anti-trust act, enacted in 1890, expressly declares every contract or combination in restraint of trade or commerce, in the form of a trust or otherwise, among the several states, or with foreign nations, illegal.

However, the advantages to be derived from combination in any industry were so manifest that promoters and organizers adopted the method of incorporating a company, particularly under the laws of New Jersey, which should either purchase the property and business of all the companies or firms to be combined, or should purchase and hold the stock of all the subsidiary companies, thus controlling the business of all. Such a corporation is now popularly called a trust. It is in this manner that the Standard Oil Company and the United States Steel Corporation, and like combinations, operate. This method of combination, as the laws now are, although creating a monopoly, and tending to suppress all competition, is legal. Various plans have been proposed for the regulation of these so-called trusts, or great combinations of capital, and many laws have been enacted by various legislatures with the object to limit their operations.

Capital Stock.—Capital stock is the whole undivided fund paid in by the stockholders, the legal right to which is vested in the corporation to be used and managed in trust for the benefit of the members. The term stock is applied to the shares of stock, or certificates of stock, which represent and are the evidence of the interest which the stockholder has in the corporation. The amount and kind of capital stock is usually fixed by the charter or act of incorporation.

Increase and Decrease of Capital Stock.—Except where provided otherwise by statute, the capital stock of a corporation cannot be increased without express charter authority, even if the stockholders and officers unanimously consent to do so. Nor does the fact that power has been conferred to decrease the stock give the authority to increase it. Generally, no reduction can be made without power expressly conferred on the directors by the charter or by the act of incorporation.

It is provided by statute, in some states, that the capital stock or indebtedness, or both, of any corporation created by general or special law may, with the consent of the persons holding the larger amount in value of its stock, be increased to such an amount in the aggregate of each as shall be deemed necessary to accomplish and carry on and enlarge the business and purposes of the corporation. Such increase may be made at once, or from time to time, as the stockholders aforesaid shall determine.

By statute, also, in some states, there may be a reduction of capital stock from time to time, by the consent of the holders of the larger amount in value of the stock of any company, provided that such reductions shall not be below the amount of capital stock required by law for the formation of such company.

The power to increase capital stock, whether made by the issue of lawfully paid-up shares as a dividend to the stockholders, or by giving them an option to subscribe for a new issue, is generally entrusted to the stockholders themselves, but the power may be lodged in the directors by the charter or governing statute.

Common Stock.—This is the ordinary stock of a corporation,

the holders of which are entitled to all the rights incident to membership in a corporate body.

Preferred Stock.—Stock of this kind entitles the holder to all the rights enjoyed by holders of the common stock, and besides to a priority of dividends out of the net earnings before any dividends may be declared on the common stock. It is sometimes called **guaranteed stock**. The percentage of preferred stock dividends is always fixed at the time of issue and is a matter of contract.

Transfer of Stock.—The statutes usually provide as to the manner of the transfer of stock. Generally, there must be an assignment of the certificate of stock, with the name of the transferee indorsed on the back, and the certificate, together with a power of attorney executed by the transferrer, must then be delivered to the company, the transfer registered on its books, and a new certificate issued to the transferee. Transfers may be made in blank, which pass from hand to hand in the market by delivery only, until the document reaches the hands of some holder who desires to be registered.

Cumulative Preferred Stock.—This is stock that entitles the holder to receive back dividends in full in case a company fails to pay the full dividends in any year. Thus, if the stock be 6 per cent. cumulative preferred stock, and in one year the company pays only 5 per cent. on it, the next year it is entitled to 7 per cent. before any dividends can be paid on the common stock.

Watered Stock.—That which purports to represent, but does not represent in good faith, money paid into the treasury of the company, or money's worth actually contributed to the working capital of the corporation is watered stock. Another name for it is "fictitiously paid-up stock." The issue of it is the favorite device of promoters of companies, organizers, and manipulators in carrying out their plans of realizing enormous gains from small investments and in accumulating fortunes at the expense of the public, or to conceal large and unreasonable profits, which, if known, might cause the public to diminish the source of income.

Overissued Stock.—Stock issued in excess of the amount authorized by the act of incorporation is overissued stock.

Such stock is spurious and entirely worthless. Not even a bona-fide holder of such stock can give to it validity or vitality, but such holder may sue a corporation to recover damages. Such stock may be legalized by a subsequent legal increase of the capital stock.

Deferred Stock.—That stock on which the payment of dividends is postponed until other shareholders are paid the dividends is deferred stock.

Interest-Bearing Stock.—Stock on which a certain rate of interest is promised to be paid is interest-bearing stock; it is closely allied to preferred stock.

Treasury Stock.—The term “treasury stock” is applied both to that portion of the authorized capital stock of a corporation which has not been issued, and to shares of stock which have once been issued and paid for in full and subsequently acquired by the company so as to constitute property in its possession subject to disposition in the same manner as other property owned by it. When the term is used among business men it is ordinarily in the latter sense.

Bonus Stock.—A premium, or commission, given in stock for promoting a company, or to the first subscribers to the stock in a new company, or for some special privilege granted to a corporation, is called bonus stock. It is quite a common thing for a company to give as a bonus a certain per cent. of common stock with each share of preferred stock sold at par.

Bonds.—A corporation bond is an obligation to pay money, given by a corporation under its corporate seal. In England and Canada, bonds are frequently issued in the form of debentures.

Debentures.—A debenture is an instrument in the nature of a bond, given as an acknowledgment of debt, and providing for repayment out of some specified fund or source of income. It is the commonest form of security issued by English corporations. Ordinarily, a debenture means any document binding on a corporation, by which it acknowledges a debt, but usually it means a bond secured by a mortgage, or by a clause equivalent to a mortgage inserted in the bond itself.

In the United States, debentures are not common. Occasionally, they are issued in the form of a bond or note of the

corporation, reciting on the face that it is secured by certain corporate assets, such as railroad bonds or stock, deposited with trustees to secure holders of the debentures. Such a debenture is practically a note secured by a pledge of securities, a form of security issued by railroads, where the parent company owns the stock or bonds of many branch or leased lines and desires to raise money on them on long time.

Income Bonds.—These are bonds issued by a corporation the interest on which is payable only when earned and after payment of regular charges and interest due from the corporation, that is, out of surplus earnings applicable to the payment of them. Just as difficulty is sometimes experienced in ascertaining whether there are net profits with which to pay a dividend, so in ascertaining whether there is a surplus properly applicable to income bonds.

Coupons.—Corporation bonds are frequently issued with small notes, known as coupons, attached, which secure the payment of the instalments of interest upon the principal sum of the bonds, as they mature. These coupons, when severed from the bonds, are promissory notes negotiable by delivery, and bear interest from their maturity; the holder of such coupons may sue upon them in his own name, separate from the bonds; and an action may be maintained upon a coupon without filing a copy of the bond to which it is or has been attached. So, too, presentment of a coupon for payment may be made without producing the bond, as well as the coupon, at the time of making the demand for payment; or they may be collected as they fall due by clipping them from the bonds and presenting them in bank the same as a check.

Railway Bonds.—Obligations to pay money issued by railroad corporations have various names indicating their character, as prior or minor securities. Such is a general mortgage bond, one secured upon an entire corporate property, parts of which are subject to one or more prior mortgages, for instance, *first mortgage bonds*, which indicate that they are secured by *first mortgage* on all the property of the corporation.

Consolidated mortgage bonds are bonds that have replaced one or more issues of bonds ahead of them. Both general and

consolidated mortgage bonds are resorted to by railway companies for the dual purpose of obtaining new capital for extensions and of unifying various other descriptions, such unification being coupled with a reduction of interest, if possible under the stipulations of mortgages previously issued.

When the term "underlying" is applied to bonds it means that they are secured by a mortgage which is a prior lien to another issue of bonds, and that the proceeds of the subsequent mortgage have been added to the property since the underlying bond was issued, thereby making the underlying bond that much more secure.

Convertible Bonds.—The charter of a corporation may provide for the issue of bonds that may be exchanged for stock at the option of the holder. Such an exchange may be made by the company even if in so doing it is necessary to issue stock in excess of the amount fixed by the charter. Should the holder of such bonds demand stock for them just before the declaration of a dividend he is entitled to both the stock and the pro-rata dividend.

General Rights of Stockholders.—Stockholders have the right at reasonable times, and for reasonable purposes, to inspect the books of the corporation, either personally or by an agent. For a breach of duty or fraud of the directors, injured stockholders may have an action against them. The stockholders acting unanimously have the right to dissolve the corporation.

Right to Dividends.—The most important right of stockholders is the right to dividends, the division of the profits among the stockholders. Such dividend is usually paid in cash. It can be paid from earnings only; and no corporation can legally declare and pay a dividend from its capital.

Scrip Dividends.—These are in effect due bills. They are made by issuing to the stockholders certificates stating that they are entitled to the privileges therein specified. Such dividends are sometimes declared by a corporation when it has accumulated surplus earnings and, instead of distributing those earnings in the form of cash dividends, it is expedient to withhold and devote them to the improvement of

the corporate property and a consequent enhancement of its value. Such certificates are convertible into bonds or stock of the corporation.

Stock Dividends.—Such dividends are created by an increase of capital stock, when authorized by the charter or general law, or by the issue of reserve stock, when the corporation has any, such dividends being legal only when the corporation has accumulated net earnings, meaning profits in excess of receipts over expenditures. So long as the dividend is payable from the net earnings, out of which dividends may be paid, it is obviously immaterial whether they be payable in cash, scrip, or property.

An important difference between a cash dividend and a stock dividend is that a cash dividend entitles the stockholder to so much money, the ordinary way in which he receives from time to time the fruits of his investment. Such dividends do not materially affect the value of the stock; whereas, a stock dividend does not add to the stockholder's ready cash, but it changes the form of his investment by increasing his number of shares, thereby diminishing the value of each share, leaving the aggregate value of all his stock substantially the same. Stock dividends are frequently made by corporations in the United States. the causes for making them occurring when the corporate property has been, or is being, improved, and when the corporate plant has increased in value, it being considered better to issue new stock to represent the excess of value than to sell the increase and declare a cash dividend.

Property dividends are unusual. It rarely happens that a corporation makes a distribution of property among stockholders, though it can legally declare a dividend payable in specific property, when it has accumulated property, other than money, in sufficient amount to authorize a division of it among the stockholders.

Cumulative Dividends.—The dividends on cumulative preferred stock must be paid in full before the holders of common stock can receive anything; any dividends not paid for one period must be paid out of the profits of a future period.

Right to Vote.—Each stockholder is entitled to one vote for

every share held by him, at all meetings of the corporation called for the election of directors or for other business. Those who appear on the books of the company as the owners of the stock are the ones who have the right to vote thereon. A valid majority of the stockholders attending and voting at a meeting controls the election. The voting may be by proxy if so allowed by statute or by the charter or by-laws.

Cumulative Voting.—In some states it is provided that in the election of the directors or manager of a corporation each stockholder may cast the whole number of his votes for one candidate, or distribute them upon two or more candidates. Thus, if a stockholder has fifty shares, and five directors are to be voted for, he may cast 250 votes for one candidate, or 50 votes each for five, or divide his votes in any other proportion he sees fit.

Voting Trusts.—A voting trust is an arrangement by which several stockholders enter into an agreement to transfer their shares to a trustee, or trustees, who then has the power to vote on such shares, and control the election of officers, and manage the affairs of the company. The trustee issues to the shareholders, in exchange for their shares, trust certificates which are usually made transferable in the same manner as stock.

Holding Companies.—Sometimes companies are organized simply for the purpose of holding the stocks of other corporations and thus controlling such corporations without directly owning the plants and conducting the business of the corporations. Such a company is the Northern Securities Company.*

PLANS OF ORGANIZATION

Corporations are organized on various plans with respect to the kind of stock to be issued. These plans are governed by the inducements that must be offered to investors to buy the stock. One company may have only one kind of stock, which would be known as common stock; another may have common stock, and preferred stock entitled to a priority of dividend of a certain per cent.; another may have common

* See "Corporate Trusts."

stock, and preferred stock entitled to a cumulative priority of dividend of a certain per cent.; another may have common stock and two kinds of preferred stock; and so on, with various combinations of stock and bonds by which they are able to induce the investment of capital by giving variously secured interests in the company which are expected to produce guaranteed or speculative profits satisfactory to the investors.

On the incorporation of an established business which the former successful managers and owners are to continue to operate and to take stock in the new company for their interests, the stock of the company would probably be of one kind, common, and if any were offered for sale it would be quickly taken by investors acquainted with the previous success of the business and its managers.

The incorporation of another company for the purpose of launching an untried business, even though promoted and managed by well-known and successful parties, might require the use of both common and preferred stock, so that the purchaser of preferred stock at par could be given a bonus of a certain amount of common stock which would not only give him greater security for his investment but through the preferred stock a stated profit on his investment, if the company earned it, and also a share, through his common stock, in all profits the company might make above those necessary to pay the stated dividends on preferred stock. When the common stock of a company thus organized pays regular dividends at good rates the price of such stock is often higher than that for the preferred stock of the same company. This condition enables the receivers of bonus stock to realize the profit they expected when taking the stock.

The incorporation of a company for the purpose of establishing a more speculative business might require the use of bonds in addition to common and preferred stock. The bonds might be sold either with or without a bonus to raise capital for the building and installing of a plant, and the preferred stock might be sold with a bonus of common for the purpose of increasing the working capital.

The value of the different stocks and bonds of a corporation

and the security of the investment depends on their relative positions as to the company's assets, what dividends are paid, and the probable continuance of dividend payments.

Frequently a corporation doing a profitable business and able to stand investigation, needing to dispose of a considerable quantity of its stock, will do so through the medium of brokers or bankers who will underwrite the same. By underwriting is meant that the bankers agree to take a certain amount of stock at a certain price and to pay for the same within a stated time whether they sell the stock or not during that time. Of course, the price at which they get the stock must be low enough to enable them to sell it at a price that will attract investors and also to make a profit.

Throughout the above, mention has been made of the giving of stock as a bonus with other stock or bonds actually paid for. As all stocks or bonds issued by a corporation must be issued for value received by the corporation, it will be seen that stock used as a bonus must first be issued by the corporation for something considered of sufficient value to pay for it, then such stock must be turned back to the corporation as a gift by the parties first receiving it, when it becomes treasury stock and may be used as a bonus to be given with other stock sold at par. Bonus stock is generally considered as watered stock, for the assets of the company will usually be found to be less by the amount issued as a bonus than the capital stock issued. It is frequently the case, however, that corporations are capitalized on a basis of earning power rather than tangible assets. For example, a newspaper may have an invested capital of a hundred thousand dollars on which it has earned 100 per cent. for a number of years. To capitalize this company on a 10 per cent. basis would call for a capital of \$1,000,000. Such a company, from an investment point of view, would not be overcapitalized, yet a comparison of its capital stock with its assets would show watered stock to an extent of \$900,000. It would be perfectly legal for the directors of such a corporation to agree to give the former owners of such a paper the entire million dollar stock for the assets of the paper and its earning power, as the laws in most states only require that property

purchased by a corporation with its stock must be worth, in the judgment of the directors, the price paid. The original owners would then turn back to the corporation a certain amount of this stock as a gift, which stock the company could then sell at any price it could get for it, or on any terms. By this it will be seen that a corporation may dispose of each share of stock at par for value received, in the judgment of the directors and according to law, and yet apparently part of its capital will be watered stock when its tangible assets are compared with the capital stock issued.

CORPORATION BOOKKEEPING

Besides the books of a corporation necessary to record the issues and transfers of shares, there must of course be kept books to record the business transactions of the company. These books, so far as the general business is concerned, are kept the same as for firms not corporations, but differ from them as to the making of the entries affecting capital stock.

When a corporation is formed it falls into one of the following three general classes, so far as the opening of the books is concerned:

1. Shares issued for money only.
2. Shares issued for property or for property and money.
3. Shares issued for property alone, but where working capital is to be provided by the sale of stock donated to the company.

Entries for Class 1.—Capital stock \$15,000, subscribed for in equal amounts by John Jones, George Smith, and William Wood, subscriptions to be paid in full in one amount.

The journal entry is as follows:

Subscription,	15000 00	
Capital Stock,		15000 00

For shares of stock subscribed as follows:

John Jones, 50 shares
George Smith, 50 shares
William Wood, 50 shares

As per subscription list dated _____, 190—.

If all the stock is not subscribed for, the capital stock is credited for only the amount subscribed for.

The subscribers having paid in the amounts of their subscriptions, the following entries should be made on the debit side of the cash book:

Subscriptions,	15000 ⁰⁰
Amount paid in by subscribers for stock as follows:	
John Jones,	\$5,000
George Smith,	5,000
William Wood,	5,000

It is not necessary to open accounts with the individual stockholders.

In case the subscriptions are not paid in full but by assessments, as called for, the journal entry debiting Subscriptions and crediting Capital Stock would be as before, and as each assessment, say of 10 per cent., is called for, a journal entry would be made as follows:

Assessment No. 1,	1500 00
Subscriptions,	1500 00

Being assessment of 10 per cent. on the shares of the company subscribed as follows:

John Jones,	\$500
George Smith,	500
William Wood,	500

As per resolution of directors adopted _____, 190—.
(See Minute Book, page—.)

When the assessment has been paid to the treasurer, the following entry is made on the debit side of the cash book:

Assessment No. 1,	1500 00
Amount paid in by subscribers for stock as follows:	
John Jones,	\$500
George Smith,	500
William Wood,	500

This will close the account Assessment No. 1 in the ledger.

Entries for Class 2.—When stock is issued at par for property, as the assets of a going business, and other stock sold for cash, the various items are debited, the liability items credited, and Capital Stock credited for the net value of the investment. The stock subscribed for to be paid for in cash is treated as in Class 1.

Entries for Class 3.—When stock is issued for property, say a mine, and part of such stock is donated to the company to be sold at par to provide working capital, the entries are as follows:

Mine,	20000 00	
Capital Stock,		20000 00
Full explanation of issue.		
Treasury Stock,	10000 00	
Working Capital,		10000 00
Full explanation of donation.		

When this is sold make a journal entry crediting Treasury Stock for the par value of the amount subscribed for and debiting Subscription to Treasury Stock for the amount of the subscriptions at the price to be paid, and debit Working Capital for the difference between the price paid and the par value of the stock.

As the subscriptions are paid, debit Cash and credit Subscriptions to Treasury Stock.

If other stock of the company is sold at par, treat it as in Class 1.

If stock is sold at a premium, debit Subscriptions for the amount subscribed for at the price sold at, and credit Capital Stock for the shares at par and Working Capital for the amount of premium.

Every entry should be followed by a full explanation of the transaction.

BUSINESS LAW

CONTRACTS

Nature of a Contract.—The most important legal topic is that of contracts. Business consists chiefly in the making of agreements that involve legal obligations, as in buying, selling, carrying, serving for hire, leasing, pledging, and the like.

Definition.—A contract is an agreement resulting in a legal obligation; an agreement upon a sufficient consideration, to do or not to do a particular thing. Every agreement and promise enforceable by law is a contract.

In a valid contract the following essentials must exist: (1) Competent parties; (2) a mutual consent expressed in offer and acceptance; (3) a real consent; (4) a sufficient consideration; (5) a lawful object; and (6) a compliance with the forms prescribed by law.

Classification of Contracts.—At common law, contracts are either formal or informal. The former includes *contracts of record*, such as judgments, and *contracts under seal*, called deeds, or specialties. Informal contracts, called *simple* or *parol* contracts, include all others, whether in writing or verbal.

Contracts are also executed and executory. An *executed contract* is one in which the object of contract is performed; as where an article is sold and delivered and payment therefor is immediately made. An *executory contract* is one wherein some act of either party remains to be performed; for example, to do an act in the future, as to agree to build a house in a year, or to lend money upon interest to be paid in a future day.

Contracts may be expressed or implied. An *express contract* is one in which the terms are openly uttered or avowed at the time of making; as to pay a stated price for certain goods. An *implied contract* is one that may be inferred from the acts of the parties, according to the ordinary course of dealing and common understanding of men.

Parties to Contracts.—A person cannot contract with himself, nor maintain a suit against himself. Hence, there must be more than one person to every contract; in other words, there must be at least two persons to every contract. In general, all persons may be parties to contracts, but no person can contract with himself in a different capacity, as there must be an agreement of minds. Furthermore, parties must be capable of contracting at the time they enter into the undertaking, for without capacity to contract there can be no assent and no understanding. Therefore, before a party can bind himself to a contract he must be able to understand its nature. Where one of the parties is mentally incapable of contracting, the contract is void.

Besides the requisite of capability, parties to contracts must exist. If they purport to be natural persons, they must

be living. There can be no legal contract with a fictitious person. In the case of an artificial person, such as a corporation, it must have a legal existence to entitle it to contract.

Persons incompetent to contract have been usually stated to be: (1) Aliens; (2) infants; (3) lunatics and habitual drunkards; (4) married women; (5) corporations. But as to all of these classes, there are qualifying circumstances, and particularly as to married women and corporations having contractual capacity is the rule and not the exception, as explained in subsequent paragraphs.

Aliens, in a legal sense, are either alien friends or alien enemies. An alien friend is one whose country (that of his allegiance) is at peace with the country in which he resides; an alien enemy is one whose country is at war with the country in which he resides. Ordinarily, an alien friend can enter into contracts, engage in trade, purchase and sell personal property, and sue and be sued, as if he were a citizen of the country wherein he resides. By statute, in some states, resident alien friends are placed on the same footing as natural-born citizens, and, in some states, the same liberal policy is pursued toward non-resident alien friends, while in other states, these privileges are accorded with restrictions, and, in some cases, denied altogether. In some states, the statutes confer property rights on those aliens only who have declared their intention to become citizens, or who reside for a certain time in the state.

Alien enemies are generally incompetent to contract; that is to say, any contracts entered into with citizens of a country at war with this country are void. War suspends all commercial intercourse between citizens of belligerent states, except so far as may be allowed by the sovereign authority. The only exceptions are contracts for ransom and other matters of absolute necessity and the payment of debts to an agent of an alien enemy where such agent resides in the same state with debtor, if such payment be not done with a view of transmitting the funds to the principal during the continuance of the war. An alien enemy may not prosecute a suit in court, but he may be sued and may make defense. As to property rights, alien enemies have the same general

rights and are under the same disabilities as alien friends, except where statutes have declared otherwise.

Infants are generally incapable of contracting before the age of twenty-one years. Most contracts made by infants are not absolutely void, but are voidable. It is the privilege of an infant, at majority, to ratify a contract made by him during minority. And though an infant is not usually bound by a contract that he made, unless ratified at majority, the adult with whom he contracts is bound. An infant, however, may make certain valid contracts. He may contract a marriage, bind himself as an apprentice, enlist to do military service, and generally do whatever an infant is bound to do by law. The contracts of infants for the actual value of necessities are valid. The necessities for which an infant may contract are not confined to such articles as are necessary to support life, but extend to articles fit to maintain the particular person in the state, degree, and station of life in which he is. Included, usually in the necessities of an infant are victuals, clothing, medical attendance, and profitable instruction.

In a contract for necessities, the vendor of the article contracts with an infant at his peril. Upon him is the burden of proving the actual necessities of the infant, and, therefore, it is his duty to acquaint himself with the infant's circumstances. If the infant reside with his father or guardian, who cares for him and is willing to supply his wants, he cannot bind himself in contract even for what would otherwise be necessities. If an infant be married, the necessities of his wife and children are considered necessities for him. An infant cannot bind himself in a contract for articles furnished him as a merchant or trader, even though the articles be actually beneficial, because in law an infant is not considered competent to carry on business on his own account.

Insanity, in the law of contracts, is such disease, weakness, or other imperfection of the mind that disables the person so affected, when entering into a contract, from comprehending its nature and probable consequence. Insane persons may have capacity to make binding contracts at certain times,

and as to some things, but not as to others. But if there be at the time of the contract no contractual capacity, the contract is generally voidable at the option of the insane person or his representatives. Where, however, the other party to the contract had no notice of the insanity, and derived no inequitable advantage from it, and the parties cannot be restored to their original position, the contract will not be avoided. Moreover, the contracts of insane persons for necessities are held valid. After the fact of insanity has been established by legal proceedings, and the affairs of the lunatic entrusted to a guardian or committee, his contracts are void absolutely, except in certain cases of necessities.

Although intoxication is, ordinarily, no ground for avoiding a contract, yet the contract of a drunkard is treated in a similar manner to that of a lunatic; that is, it is voidable if, at the time of contract, he were not capable of forming a rational judgment on the subject-matter, provided it be promptly disavowed and the consideration restored. When one has been adjudged an habitual drunkard by legal proceedings his contracts are void.

Married women are given by statute laws more or less contractual capacity. Generally, a married woman may contract as if single, with few exceptions, such as that she may not become surety, and she may not convey or mortgage her real estate without the husband join in the conveyance. In jurisdictions where statutes have been passed enabling a married woman to engage in business on her sole or separate account, the effect is to invest her with all the rights, powers, and privileges of a single woman in respect to her separate business and the property therein, and to subject her to the liabilities that she would be subject to in respect to such business and property if she were unmarried. Therefore, she may make contracts in her trade or business, and sue and be sued upon them as if unmarried. She may make purchases and contract debts on her personal credit, and may employ agents.

Where the statutes secure to married women separate rights in property and enable them to enter into transactions

in relation thereto, a married woman may use her separate property for purposes of trade or business, which includes pursuits mechanical, manufacturing, or commercial; and the right implies the right to purchase goods and to bind himself by contract to pay therefor.

Corporations, having a legal existence, possess (1) such powers to contract as are conferred by their charters; (2) by implication of law, without any affirmative expression in their charters or governing statutes, and in the absence of express prohibitions, they have the same power to make and take contracts, within the scope of the purpose of their creation, that natural persons have; (3) the power is restricted to the purposes for which the corporation has been created, and cannot be lawfully exercised by it for any other purpose. The charter of a corporation being the measure of its powers, all contracts made by a corporation beyond the scope of those powers (called *ultra vires*) are unlawful and void, and no action can be maintained upon them in the courts.

The manner of contracting by a corporation is the same as that by a natural person, if no express requirements in its charter, or statutes applicable to the corporations, are provided. As to the execution of a contract, the old common-law rule was that a corporation could act only by deed, or power in writing under its seal. This rule never obtained in the United States, where the rule is that parol contracts made by the authorized agents of a corporation, acting within the scope of the purposes of its creation, are express promises of the corporation, and all duties imposed on them by law and all benefits conferred at their request raise implied promises, for the enforcement of which an action may lie.

The acts of agents, done within the scope of their authority, bind the corporation, unless the charter expressly provide otherwise; but the power of a corporation's agents cannot exceed the powers of the corporation itself, and the agents, therefore, may lawfully make only such contracts as their companies may make.

The corporate seal of a corporation, though still required

in unusual and uncommon cases, is not required to be affixed to contracts made within the ordinary business of the corporations, such as the issuing of bills and drafts, usual purchases and sales of goods, and the like. Except where a seal would be required in the case of individuals, and except where the charter requires it, a corporation's acts need not be evidenced by its corporate seal.

Offer and Acceptance.—Every express contract results from an agreement which is made by an offer by one party and an acceptance of that offer by the other party. Both the offer and the acceptance must be made with the intent to affect legal rights, not in jest or as a social engagement. No formalities are necessary, but the communications passing between the parties may be by word of mouth, letter, telegram, even by conduct, provided there be a meeting of minds and an intention to contract.

In making the offer the offerer can prescribe the time, the place, and the terms of acceptance, and the acceptance must be in accordance therewith. The offer may be revoked at any time before acceptance by notifying the other party of its withdrawal; and this is true even though the proposer agrees to allow the offer to continue for a certain time, if there be no consideration for this promise. So bids at auction may be withdrawn at any time before the hammer is down. An offer need not be made to a person ascertained at the time, but may be made by public advertisement, as by the public offer of a reward for any special services. Such an offer may be accepted by the performance of such services by any one of the class of persons to whom it is directed at any time before a public revocation of the same, and may thus result in a binding contract.

The acceptance must be communicated to the offerer, and must be unconditional and identical in terms with the offer itself. Where the offer is limited to a certain time, the acceptance must be made within that time; if no time be mentioned, the acceptance must be within a reasonable time. Where an offer is made by letter and accepted by mailing the letter of acceptance before receiving notice of withdrawal, the contract is binding even though the offerer

has mailed a letter withdrawing his offer before receiving the acceptance. It has also been held that if the letter of acceptance be properly mailed, it will bind the offerer even though never received by him. Similar principles apply to contracts made by telegraph. An acceptance may be inferred from conduct, as by compliance with the proposition; but such conduct must be unambiguous and explicit, and must be in accordance with the terms of proposal.

Reality of Consent.—Where there has been a mistake in fact by either party as to the person with whom he is contracting, or a mutual mistake as to the subject-matter or in stating the terms of agreement, the minds of the parties have not met, and the contract cannot be enforced. But a mistake as to a matter of law is ordinarily no defense to a contract.

Fraud.—A false representation of fact made with a knowledge of its falsity, or recklessly, without belief in its truth, with the intention that it should be acted upon by the complaining party, actually inducing him to act upon it—generally vitiates all transactions, but there are limits to the rule. The misrepresentations must be: (1) of a material fact susceptible of knowledge as distinguished from a mere opinion or conjecture; (2) made with the intent that the other party should act thereon; (3) known to the parties making them to be false; and (4) relied upon by the other party to his injury. Moreover, the law will not relieve any party from the consequences of his own carelessness; so, where the means of knowledge are equally open to both parties, as in the case of purchase of goods on exhibit, the purchaser must take the consequences of his own carelessness in not examining the goods for patent defects. Fraud does not render a contract void absolutely, but voidable only at the option of the defrauded party. The injured party therefore may, within a reasonable time after discovering the fraud, affirm the contract and sue for the damages caused by the fraud, or may rescind the contract and either sue for any amount paid thereunder or return what he has received and refuse to pay for it.

Where the consent to the contract has been obtained by duress, the contract cannot be enforced. Duress is that

degree of constraint or danger, either actually inflicted or threatened and impending, which is sufficient to overcome the mind of a person of ordinary firmness. It may be duress of imprisonment, or actual restraint of the person in prison or elsewhere, or duress of threats, consisting in threats of imprisonment, or threats of violence or injury to the person, or sometimes to the property. Even duress of goods, or the unlawful withholding of property, may be sufficient to avoid a contract thus secured. The ultimate fact to be determined in each case is whether the party really had his freedom of will when consenting to the contract. As in case of fraud, a contract made under duress is voidable at the option of the injured party.

Where the parties to the contract are in such a relation that it is presumed that confidence is placed and influence exerted, as in case of parent and child, guardian and ward, or attorney and client, the law will scrutinize the contract very closely; and, if from all the circumstances of the case it appear that the influence was sufficient to destroy the freedom of the will, the contract may be set aside. Whatever destroys free agency and constrains the person whose act is brought in judgment to do something against his will is undue influence.

Consideration.—The consideration of a contract is that act or forbearance of the one party which is given in exchange for the promise of the other. Consideration does not mean necessarily that one party is profited thereby; it may consist in some detriment to or the giving up of some legal right by the other party. A total want of consideration renders the alleged contract null and void.

A simple contract requires a sufficient consideration to support it. There must be something that is mutual given in exchange, or something which is the inducement to the contract, and it must be something that is lawful and competent in value to sustain the assumption.

It is a principle of the common law that a contract under seal (called a specialty) requires no consideration to support it. This has been explained by the misleading statements that a seal "imports a consideration," or "is conclusive

evidence of a consideration." Really, a sealed instrument, without consideration, does not stand for all purposes on the same footing as an instrument for which value has passed. It is essential to specific performance that the consideration be valuable and actual; a merely good consideration will not suffice, and a consideration, such as that imported by a seal to a bond, will not do. A contract under seal is of higher nature than a simple contract—one depending upon the presence of a consideration. It derives its validity from its form, is binding by reason of its form, and not from the presence of a consideration. In some of the United States, the distinction between sealed and unsealed instruments has been abolished, and, in other jurisdictions, the seal merely affords a presumption of a consideration capable of being rebutted by proof that the parties intended a consideration.

Sufficiency of Consideration.—Common-law writers divide considerations into good and valuable. A *good consideration* is one founded on blood or natural love and affection. This is sufficient in a deed against all persons but creditors and bona-fide purchasers, but not to support a simple executory contract. A *valuable consideration* consists either in some right, interest, or profit, or benefit accruing to the one party, or some forbearance, detriment, loss, or responsibility suffered or undertaken by the other. Thus, a sum of money paid, services rendered, the use of property, or a bare waiver of legal rights constitutes a valuable consideration sufficient to support a contract. Likewise, marriage is a valuable consideration; also, a compromise of doubtful rights, or a forbearance to enforce a legal claim. Mutual promises, or a promise for a promise, are sufficient considerations, if they be mutually binding. But the performance of an act which a party is under legal obligation to perform, as the promise to pay a debt for which the promisor is already bound, cannot constitute a consideration. Nor is a mere moral obligation a sufficient consideration. Moreover, a promise to do that which is in its nature impossible of performance at the time it is made is invalid. If, however, there be some valuable consideration for the contract, it makes no difference how inadequate it may be, unless the inadequacy be so gross as to

show, with other facts and circumstances, fraud or oppression in securing the consent to the contract.

Failure of consideration results from the worthlessness or insufficiency of a consideration originally apparently good. Where this failure is total, the contract is thereby avoided, and money paid for such a consideration may be recovered. When the consideration partially fails, the appropriate part of the agreement may be apportioned to what remains, if the contract be capable of being severed.

Legality of Contracts.—Any agreement the subject-matter of which the law declares illegal is unenforceable and void. Where, however, the agreement contains separate promises, by which a party is bound to do certain acts, some of which are illegal and others legal, the legal promises so severable, being supported by a sufficient consideration, may be enforced. Where both parties are in equal fault, money paid in the execution of an illegal contract cannot, generally, be recovered; and, so far as the contract is unperformed, a defendant may set up the illegality of the consideration as a defense. Moreover, where the illegal contract is still unperformed, it may be rescinded by either party, who may recover whatever consideration he has paid. In some cases where the parties are not in equal fault relief will be afforded the least guilty party who appears to have acted under some imposition or undue influence. Illegal contracts are divided into such as are (a) contrary to positive law; (b) contrary to morality; and (c) contrary to public policy.

Agreements contrary to positive law include acts contrary to the rules of the common law or a particular statute or constitutional enactment. The simplest illustration is an agreement to commit a crime. Statutes, generally in the United States and England, declare Sunday contracts illegal, works of charity and necessity excepted. If a deed or a note be executed and delivered on Sunday, it is void; but, if not delivered until a secular day, it is valid. Another class of illegal contracts consists of wagers and gambling contracts, which are held void by statutory enactment, and money paid on such wagers cannot be recovered. Dealing in futures on the stock market, when both parties intend there shall be no

delivery of the stock, but a settlement by payment of the differences in prices, is also illegal. In states in which there is fixed a maximum rate of interest for the use of money loaned, statutes generally prohibit agreements for any interest above that rate. These are called usurious contracts, and are unenforceable.*

Agreements founded on considerations that are against sound morals are void. Examples of this are obvious enough, as contracts for sexual intercourse, or for printing immoral books, or to facilitate the procuring of a divorce.

Contracts may be invalid because they are against public policy as affecting the state. These include contracts to appoint any one to public office, to pay a public officer more than his lawful compensation, for corrupting public officers, or contracts affecting public justice. These last include *maintenance*—an officious intermeddling in a suit that in no way belongs to one, by assisting either party with money, or otherwise to prosecute or defend it, and *champerty*—a bargain with the plaintiff or defendant in a suit to divide the matter sued for. Other contracts are void because they are against public policy affecting individual action. Contracts in restraint of marriage, that is, not to marry at all, or to marry no one unless he be a particular person, are void. Contracts in general restraint of trade are also void, although agreements in partial restraint of trade are held valid, if supported by a sufficient consideration. What is a partial restraint of trade within reasonable limits depends on the circumstances of each case. For example, an agreement by A with B that A shall never carry on the grocery business at any place is void; but if the contract be that S shall not engage in such business within the town of X, it is valid.

Considerations tending to create a monopoly of any particular commodity are in restraint of trade, and therefore void. Likewise, combinations between parties not to bid at public sales, in order to stifle competition and obtain property for less than it would otherwise bring, are illegal and void.

* See interest table.

Form of Contracts.—*Statute of Frauds.*—This statute, enacted in England in 1677, and reenacted in part or in whole with some modifications in all the United States, requires that certain contracts to be enforceable must be evidenced by some writing signed by the party to be charged. The fourth section of the act enacted that “no action shall be brought whereby to charge any executor or administrator upon any special promise, to answer damage out of his own estate; or whereby to charge the defendant upon any special promise to answer for the debt, default, or miscarriages of another person; or to charge any person upon any agreement made upon consideration of marriage; or upon any contract or sale of lands, tenements, or hereditaments, or any interest in or concerning them, or upon any agreement that is not to be performed within the space of one year from the making thereof; unless the agreement upon which such action shall be brought or some note or memorandum thereof shall be in writing, and signed by the party to be charged therewith, or some other person thereunto by him lawfully authorized.” The seventeenth section enacts that “no contract for the sale of any goods, wares, and merchandise for the price of ten pounds sterling, or upwards, shall be allowed to be good, except the buyer shall accept part of the goods so sold, and actually receive the same, or give something in earnest to bind the bargain, or in part payment, or that some note or memorandum in writing of the said bargain be made and signed by the parties to be charged by such contract, or their agents thereunto lawfully authorized.”

It will be noticed that the contract itself need not be in writing, but there must be some memorandum thereof in writing. This memorandum may consist of letters, telegrams, or entries in account books, provided all the terms of the contract appear therein. For the modification of these requirements, the statutes of each particular jurisdiction must be consulted. The clauses of the fourth section as to promises in consideration of marriage, and contracts not to be performed within one year are not in force in Louisiana, North Carolina, and Pennsylvania; nor is the seventeenth section in force in Pennsylvania.

Assignment of Contracts.—The assignment of a contract is the transfer or making over to another of the rights under a contract, by the party originally entitled thereto. Such a contract was not permitted at common law, but is now allowed, and by statute in some jurisdictions, the assignee may sue on the contract in his own name. But if the contract be personal in its nature, it may not be assigned, as a contract between an author and a publisher, nor may the salary or fees of a public officer be assigned. The assignee stands in just the same position as the assignor. He gets only the rights of the assignor from whom he bought the claim, and the claim is subject to all the defenses that would have prevented a recovery by the assignor. It is immaterial whether or not the assignee knew of such defenses. An assignment of a claim does not bind the debtor until he has notice of it, and the debtor is protected in a payment made in good faith to the original holder of the claim before he had notice of the transfer. But when the debtor is notified he is bound to respect the rights of the assignee. In the absence of statute, an assignment need not be in any particular form so long as the intention to assign is manifest, and it is supported by a good consideration.

Interpretation of Contracts.—It is of great importance to determine by what rules the language of a contract is to be interpreted and its meaning ascertained when the meaning is doubtful or in dispute. When the contract is reduced to writing, generally no oral evidence will be allowed to show that the contract was anything different from that set forth therein. But evidence will be received to show fraud, duress, mistake, or a condition precedent to the validity of the contract, or to explain abbreviations or obscure words, or to show a subsequent contract modifying the first. Furthermore, when the writing is merely a memorandum, and does not contain the full terms of the contract, oral evidence may be admitted to show the whole contract. When the parties contract, having in mind a certain usage or custom, oral evidence of such usage or custom will be allowed to explain certain words or phrases used, or to annex a term not expressed, but which must have been implied.

Generally, the words of a contract are to be understood in their plain and literal meaning, and the contract is to be so construed as to carry out the intention of the parties. The whole writing is to be construed together, and where clauses are inconsistent, meaningless clauses or those at variance with the manifest intention of the contract will be rejected. Where a contract is partly printed and partly written, the written part will be accepted in preference to the printed part, if they be inconsistent.

Discharge of Contracts.—By Agreement.—While a single contract is wholly executory and nothing has been performed on either side, the parties may, by mutual agreement, annul the same and abandon performances thereof; but where the contract has been executed on one side, it cannot be discharged except by a formal release under seal, or an accord and satisfaction. An accord consists of an agreement by which the creditor agrees to accept some other thing in lieu of that which is promised to be done; and when this agreement is executed, it is called an accord and satisfaction. An existing contract may also be discharged where the parties make a new agreement modifying the terms of the former contract, or the contract itself may contain a clause for its discharge upon the happening of a certain contingency.

Discharge by Operation of Law.—A contract may be discharged by a merger, that is, where a higher security takes the place of the one originally adopted, as a judgment for an unsecured claim; by an alteration of a material part of the contract by or with the consent of one party without the consent of the other; or by an adjudication in bankruptcy of one of the parties.

Discharge by Performance.—Where the parties have performed all of their obligations according to the terms of the contract, it is thereby discharged. This may be done in a great variety of ways according to the nature of the contract. The agreements need not be literally, but must be substantially, performed; and, if a particular place and time of performance be mentioned, the performance must be at that place, or within that time. Where no time is mentioned, the performance must be at that place, or within that time.

Where no time is mentioned, a reasonable time will be allowed according to the nature of the contract. The discharge of an agreement to pay money is made by payment of the amount agreed upon in legal-tender money, or the payment of other money received by the creditor therefor. The receipt by the creditor from his debtor of the bill or note of a third party in payment of his claim will also operate as a discharge, but the acceptance of the debtor's own note or bill merely suspends the right of action on the original claim until the maturity of the paper. Where one owes several debts to the same creditor, and makes a partial payment, the debtor may direct to what debt such voluntary payment is to be applied; but, if he fail to do so, the creditor may apply to any one of the debts. If the parties make no application, the law will direct application as justice may require; to interest first, then to principal; to an older debt in preference to a later one; to a debt legally enforceable rather than to one not enforceable. A contract will sometimes be discharged by tender of performance of the entire amount of the debt, unfettered by any conditions. The exact amount of the debt must be produced, and to stop interest and costs, the tender must be kept good. Generally, impossibility of performance arising subsequent to the contract does not discharge it, even though the promisor was wholly without fault. But in contracts for personal service, the death or incapacitating illness of the promisor will excuse performance; or, where the parties bargain for the future sale and delivery of a specific chattel which is destroyed without the fault of the promisor before the time of performance arrives, the contract is discharged. Where the law lays an obligation on one of the parties, as upon a carrier, an act of God that renders performance impossible will discharge the contract.

Discharge by Breach.—If, before the time fixed for performance, one party give notice to the other of his intention not to perform the contract, the injured party may, if he choose, treat the contract as discharged and sue for damages; or he may disregard the renunciation, await the time of performance, and then hold the other party liable. In the second case, the injured party remains subject to his own obligations.

and the other party may still perform notwithstanding his previous renunciation. Where one of the parties prevents the other from performing, or so acts as to render the contract impossible of performance, the injured party is discharged from further liability and may sue to recover damages sustained. A failure of performance by one of the parties is also a discharge, but this must be a failure to perform the vital promises of the contract, and not merely a subsidiary promise. Where the promise of the one party is dependent upon the promise of the other party to perform something, or upon some precedent condition, the party suing must show that he has performed his part of the contract, or the fulfilment of the precedent condition. Where the contract is severable, consisting of distinct and separate items, a failure to perform one promise will not operate as a discharge of the whole contract. The injured party, in any case, may waive the strict and literal performance of the contract, or may waive the right to rescind for failure to perform; but this waiver must be clearly shown.

SALES OF PERSONAL PROPERTY

NATURE OF THE CONTRACT

A sale is a transfer of the absolute or general property in a thing for a price in money. A sale is, in reality, one kind of contract to which all the general rules of the law of contracts apply. There must be parties competent to contract, a sufficient consideration, a mutual and a real consent, and all the other elements necessary for the validity of any other contract. A distinction, however, must be made between a present sale of goods, and a contract to sell them in the future. The former is an executed contract—a sale proper; the latter is an executory contract—merely a contract to sell, by which the title to the goods does not pass until some future time.

FORMATION OF THE CONTRACT

The one who sells is called the vendor; the one to whom the goods are sold is called the vendee. Generally, only the owner of the goods or his agent can transfer a good title to

them. Consequently, a thief or finder of goods, or one obtaining possession of goods by fraud, can give no better title to them than he himself has, and the true owner may reclaim them or their value from any purchaser however innocent. In cases, however, where fraud is an element inducing the sale itself, and not merely in acquiring the possession of the goods, the vendee may transfer a good title to a *bona-fide* purchaser for value. The thing to be transferred by the sale must be in actual or potential existence at the time; otherwise, it is impossible to perform the contract. But a valid contract may be made to sell what the vendor expects to raise or make, or to go into the market and buy. The consideration for a sale, or the price, must be in money, either paid or promised to be paid; otherwise, the transaction is a barter or exchange. The law of sales, however, is quite generally applicable to contracts of barter. The exact price may be agreed upon; if not, the law implies a reasonable price. The provisions of the statute of frauds requiring contracts of sale to be in writing, or the goods received, or something paid by the buyer, have been mentioned in the article on "Contracts."

TRANSFER OF TITLE

Sale of Specific Chattels Unconditionally.—Generally, the intention of the parties will determine whether the transaction be a present sale or merely a contract to sell in the future. If no intention be manifest by the delivery of the goods or otherwise, the law still presumes a present sale, and the title passes to the buyer at once, provided the thing sold be agreed upon and be ready for immediate delivery. If the goods be not delivered and the price not paid, it is generally held that the seller merely has a lien on the goods for the purchase money; but some cases hold that the seller still retains the title to the goods under such circumstances. Generally, an absolute sale of chattels unaccompanied by a change of possession is presumptively fraudulent and void as to the creditors of the vendor and subsequent purchasers from him who take possession of the same in good faith for a valuable consideration. But in some jurisdictions the presumption of fraud may be overcome by proof to the contrary.

Sale of Chattels Not Specific.—A contract for the sale of goods to be manufactured, or to be separated from a larger mass of the same, or to be bought in the market, is executory until the goods be manufactured, separated, or bought and appropriated to the contract, and no title passes until such appropriation takes place. Appropriation consists of selecting, setting apart, or actually putting the goods in such a situation that the buyer may come and take them. The parties may agree, however, that title shall pass before there has been any appropriation or delivery. Where goods are ordered from a distance, the title usually passes when such goods are delivered to a carrier, as a railroad, for delivery; but the vendor may reserve the right of disposal, either by taking the bill of lading in his own name, or otherwise. In the latter case, if the goods be lost or destroyed before delivery to the vendee, the vendor must bear the loss.

Conditional Sales.—Many sales are made by which the title to the goods is to vest in the buyer, or to be divested and re-vest in the seller, upon the happening or not happening of some event. The condition may be precedent, as sales upon the instalment plan, whereby the title remains in the seller until all the instalments are paid. In such cases it is generally held that the seller may reclaim the goods from any purchaser from the buyer, although such purchaser have no notice of the conditional sale; but statutes in many states require such sales to be recorded as chattel mortgages to be valid against *bona-fide* purchasers. When goods are sold on trial, it is understood that the title thereto is to remain in the seller until the trial is over; and the prospective buyer is not responsible for their loss in the meantime unless it may be by his negligence. But the goods may be received under the agreement that the buyer may return them if they prove unsatisfactory. In such a case, the title passes immediately to the buyer, subject to be divested if, after a reasonable examination, he return the goods in the same condition in which they were received. A chattel mortgage is also really a sale upon condition subsequent, upon the performance of which, as by the payment of the money borrowed, the title of the mortgages is divested, and re-vests in the mortgagor.

WARRANTIES ON SALE

General Rule.—Sales may be avoided on the ground of fraud, as in the case of other contracts. But in all cases where the goods sold are open to inspection, the rule of *caveat emptor* (let the buyer beware) is applied. This means that in the absence of active fraud or a warranty by the seller, the buyer takes the risk as to the quality of the goods, and where there is a defect which could have been discovered on careful examination, the buyer has no redress if he discover it subsequently. But the seller may give an express warranty of the goods. A warranty is an assurance of some fact, coupled with an agreement, express or implied, to make the assurance good or pay for the deficiency. No particular form of words is necessary to make an express warranty, but mere puffing or dealer's talk will not amount to a warranty.

Implied Warranty of Title.—Ordinarily, every vendor impliedly warrants his title to the goods which are, at the time of the sale, in his possession or in the possession of his agent, or which he expects afterwards to procure, and the buyer is entitled to damages if he be deprived of the goods by one having a superior title or be compelled to remove an encumbrance on them. But there is no such implied warranty if the goods, at the time of sale, be out of the vendor's possession and claimed by a third party, or if the sale be by one acting as trustee or agent.

Implied Warranty of Quality.—Wherever goods are sold by description, or by sample, there is an implied warranty by the seller that they shall be of the kind contracted for, or that the bulk when delivered shall be of the same quality as the sample. There is an implied warranty that goods bought from a manufacturer are free from latent defects arising from the process of manufacture rendering them unfit for the purpose to which such goods are usually put. Furthermore, where one buys goods for a particular purpose, communicated to the seller, there is an implied warranty that they shall be reasonably suited to the use intended.

PERFORMANCE OF THE CONTRACT

The rules as to what constitutes a performance of a contract of sale are in general the same as the rules for the discharge of any contract by performance. Either party must perform whatever conditions precedent there may be, before he can require the other party to perform his part of the contract. But failure to perform a condition precedent will be excused where the party entitled to its performance has waived or in any way hindered or obstructed its performance, or where the performance of the contract has become impossible. When the buyer has complied with all the terms of the sale, it is the duty of the seller to make delivery of the goods. In the absence of special agreement the seller is not bound to send or carry the goods to the buyer, but only to put them in condition for delivery. If the time and place of delivery be specified, such terms must be strictly complied with. Delivery of goods ordered from a distance may be made to a carrier selected by the buyer, or a fit and proper carrier, and then the property is at the risk of the buyer. Ordinarily, the seller must tender the exact quantity bargained for, and afford the buyer a reasonable opportunity to inspect the goods to ascertain the quantity and quality. If the goods do not conform to the terms of the contract, the buyer must notify the seller within a reasonable time, and, where practicable, return the goods. Generally, the buyer must pay or tender the price agreed upon before he can call for a delivery of the goods. But where a sale is expressly made upon credit with no reservation of title to the seller, the buyer is entitled to immediate possession.

REMEDIES FOR BREACH OF CONTRACT

Remedies of the Seller.—If the buyer refuse to receive the goods properly tendered, or refuse to pay for them after delivery, the seller may bring suit for the price agreed upon. If the goods have not been delivered, the seller may regard the goods as his own, and sue for damages, which will usually be represented by the difference between the contract price and the price he actually obtains for the same. Where the seller has not parted with the possession of the goods,

although the title has passed to the buyer, he has a lien on them for unpaid purchase money, so that he can hold them until the price is paid. Where the goods, being unpaid for, are in the possession of a third party, as a common carrier, for delivery to the buyer, and the buyer becomes insolvent, the seller may intercept the goods in transit and reclaim them either by actually taking them, or by giving notice to the carrier. This is called the right of *stoppage in transitu*. It does not rescind the sale, but the seller may still pursue any of the remedies he had before the delivery to the carrier.

Remedies of the Buyer.—If the seller fail to deliver the goods, the buyer has an action for damages sustained, usually measured by the difference between the price agreed upon and the market price at the time and place of delivery contemplated by the agreement. Sometimes where the goods are of a peculiar value to the buyer and cannot be obtained in the market, a court of equity will decree a specific performance of the contract. For a breach of warranty by the seller, expressed or implied, the buyer usually may not rescind the contract, but may sue for damages sustained. But where goods are sold by sample or by description and the goods delivered are not as contracted for, the contract may be rescinded by the buyer and the goods returned.

EXEMPTION OF PROPERTY FROM SALE

Exemption is the right of a debtor to retain a certain amount of property without its being liable to attachment, distress, execution, or any other process at the suit of the creditor. A judgment creates no lien upon property exempt from execution, and execution creates no power over it. It is placed beyond the reach of the law, in the absolute control of its owner, but the law will take cognizance of it only for the purpose of protecting the owner in its enjoyment. Property exempt before the death of a debtor continues exempt afterwards in favor of his widow and children.

In nearly all the states there are provisions making homesteads exempt. A homestead is real property, consisting either of a certain number of acres of agricultural land, or

a town lot or lots, owned by the head of the family, and occupied by him and family as a home. The property exempt from sale by law in the different states follows:

Alabama.—House and lot in a city or town, or in the country, 160 acres, not exceeding in value \$2,000; personalty, \$1,000; wages, \$25 per month.

Arizona.—A homestead not exceeding \$2,500 in value; household furniture, \$500; no exemption to persons without family or dependents; earnings for 30 days preceding levy.

Arkansas.—Personalty for an unmarried man, \$200; for a married man, \$500; a homestead not exceeding \$2,500 in value, and in cities and towns consisting of not more than 1 acre, or, in the country, of not more than 160 acres; but if the homestead be no more than 80 acres in the country, or $\frac{1}{2}$ acre in town or city, its value is unlimited; wages for 60 days.

California.—A homestead of \$5,000, if declaration of homestead be properly filed; a large number of specified articles of personalty; personal property with homestead not to exceed \$1,000.

Colorado.—A homestead not to exceed \$2,000, claim to which must be recorded; a large number of specified articles of personalty, in favor of heads of families; library and implements of professional men; wages not to exceed \$60.

Connecticut.—A homestead to the value of \$1,000, claim to which must be recorded; necessary household furniture; implements of debtor's trade; library; live stock; wages, \$50.

Delaware.—No homestead; besides specified articles of personalty, \$75 to \$200 additional is allowed in New Castle county; \$50 to \$150 in Kent; no additional in Sussex.

District of Columbia.—Furniture, \$300; tools, \$200; stock, \$200; professional library, \$300; family library, \$400; earnings not above \$100 per month to married persons; wages for 2 months not to exceed \$200; salary of government employes.

Florida.—A homestead consisting of 160 acres of agricultural land, or of $\frac{1}{2}$ acre in city; \$1,000 personalty to "heads of families"; all wages.

Georgia.—By the constitution, real and personal property to the value of \$1,600; by statute, certain specified articles, and land not above \$500 in value, if in a town or city, or 5 acres

and 5 additional for every child under 16 years of age, if in the country. Both kinds of exemption cannot be claimed. Exemption may be waived in writing excepting as to apparel.

Idaho.—A homestead to the value of \$5,000; furniture, farming utensils, tools of trade, mining implements, professional library, instruments, wardrobe, cartman's team; wages for 30 days.

Illinois.—A \$1,000 homestead, and \$400 worth of personalty, to the head of a family; to others, \$100 only; all wages above \$8 per week are liable to garnishment.

Indian Territory.—Besides a homestead, \$500 worth of personalty and wearing apparel is exempt to resident head of a family; to other residents, \$200.

Indiana.—Six hundred dollars to a householder. No property can be sold for less than two-thirds of its appraised value, unless the debtor waive the relief.

Iowa.—A homestead consisting of $\frac{1}{2}$ acre in a town, or of 40 acres in the country; certain articles of personalty and household and kitchen furniture, not to exceed \$200; wearing apparel; wages for 90 days.

Kansas.—A homestead consisting of 160 acres, or 1 acre in a city; stock in trade, \$500; furniture, farming tools, live stock, professional library, wages for 3 months under certain conditions.

Kentucky.—Land and dwelling house not exceeding \$1,000 in value; specified articles of personal property of limited value; professional library to the value of \$500; wages, \$50.

Louisiana.—One hundred and sixty acres of land not exceeding \$2,000 in value, the claim to which must be registered; certain enumerated articles of personalty; all wages of laborers.

Maine.—A homestead, if duly claimed, to the value of \$500; a large number of enumerated articles of personalty; limited wages.

Maryland.—Any property to the value of \$100, except for breach of promise or seduction.

Massachusetts.—A homestead valued at \$800, if properly recorded as homestead property; certain articles of personalty; wages, \$20, under conditions.

Michigan.—A homestead up to the value of \$1,500; furniture, \$250; stock, \$250; books, \$150; live stock; wages, \$25.

Minnesota.—Eighty acres of land for a homestead, or a lot and house in a plotted city or village of over 3,000 population, or $\frac{1}{4}$ acre if the population be less than 5,000; sundry articles of personalty; life insurance to survivors, \$10,000; wages, \$25.

Mississippi.—A homestead of not over 160 acres, or \$2,000 in value, which may be increased to \$3,000 by proper proceedings; wages to the head of a family, \$100 per month, or to other persons, \$20; sundry other articles of personalty.

Missouri.—A homestead up to the value of \$1,500 and \$300 personalty to heads of families; in cities of 40,000 inhabitants, homestead may be \$3,000 in value; wages for 30 days.

Montana.—A homestead in the country, used for agricultural purposes, of 160 acres, with buildings, or in a town of $\frac{1}{4}$ acre up to the value of \$2,500; the usual amount of personalty; wages for 30 days.

Nebraska.—A homestead up to the value of \$2,000, or in lieu thereof \$500 of personalty; specified articles of personalty to heads of families; wages for 60 days.

Nevada.—Books, \$100; furniture, live stock, seeds, \$400; tools and professional instruments; miner's cabin and tools, \$500 each; wages, \$20, but not good as against claims for necessities.

New Jersey.—A homestead up to the value of \$1,000, if advertised and recorded; \$200 selected by the debtor from the goods levied on and appraised; all wearing apparel of the head of a family.

New Mexico.—A homestead up to the value of \$1,000; specified articles and \$500 worth of personalty when the debtor does not own a homestead; wages for 3 months under certain circumstances.

New York.—Certain specified articles, and \$250 worth of personalty in addition, except for purchase price; a \$1,000 homestead, when recorded as such and occupied by the debtor; wages for 60 days.

North Carolina.—Real estate worth \$1,000, and \$500 of personal property; wages for 60 days under certain conditions.

North Dakota.—A homestead to the value of \$5,000, consisting of a town plot, not over 2 acres, or, if in the country, 160 acres; personalty, \$1,500; to partnerships, \$1,500.

Ohio.—Certain specific articles of household furniture; a homestead, \$1,000, or to head of family in lieu of homestead, \$500 worth of personalty; wages under certain conditions.

Oklahoma.—To the head of a family, 160 acres, outside of a city, or in a city, 1 acre; furniture, live stock; 90 days' wages; to a single person only, apparel, books, wages.

Oregon.—Household furniture, \$300; tools, etc., \$400; other personalty, about \$225; family homestead, \$1,500; wages for 30 days under certain conditions.

Pennsylvania.—Personal or real estate to the amount of \$300, which exemption may be waived in writing; all wages.

Rhode Island.—Household furniture and family stores not exceeding \$300; wearing apparel and tools to the value of \$300; debts secured by note; limited wages under certain conditions.

South Carolina.—A homestead exemption of \$1,000; \$500 in personalty; wages for 60 days, if the debtor's family depend on them.

South Dakota.—A homestead consisting of 160 acres in the country, or of 1 acre in a town or city, to the value of \$5,000; \$750 worth of personalty to the heads of families, and \$300 to single persons not heads of families; otherwise, \$1,500 to all persons; all life-insurance money received by widow or children; wages for 60 days if necessary to the support of the debtor's family.

Tennessee.—A homestead up to the value of \$1,000; a large number of specified articles of personal property; wages, \$30, for laborers and mechanics.

Texas.—Specified articles of personalty; a homestead, in the country of 200 acres, or in a city, of land of \$5,000 in value at the time of designation, without reference to the value of improvements; all wages.

Utah.—A homestead of a value equal to \$1,500 for the judgment debtor, \$500 for his wife, and \$250 for each child; books, \$200; furniture, \$300; utensils, \$300; tools, \$500; earnings within 60 days; insurance.

Vermont.—A homestead up to the value of \$500; specified articles of personalty.

Virginia.—A homestead up to the value of \$2,000, except when waived; specified articles of personal property which can seldom exceed \$500 in value.

Washington.—A homestead to the value of \$2,000, a homestead declaration being necessary; to a householder, \$1,000 of personal property; specified articles; current wages to the amount of \$100, if the debtor's family be dependent thereon.

West Virginia.—To the head of a family, \$200 personalty; a homestead to the value of \$1,000, if recorded as such.

Wisconsin.—A homestead consisting, in the country, of 40 acres, or, in a city or village, of $\frac{1}{4}$ acre; furniture, \$200; certain specified articles; wages for 3 months, not exceeding \$60 a month.

Wyoming.—A homestead up to the value of \$1,500; tools, library, etc., \$300; household property, \$500; wearing apparel, \$150; wages not exceeding \$150.

COMMERCIAL PAPER

Introduction.—In the business world are used certain instruments, all embraced under the general term of commercial paper. Some of these are strictly negotiable instruments, others are negotiable in a limited sense, and others are non-negotiable. Negotiable instruments are bills of exchange, promissory notes, and checks. An instrument is negotiable when it may be transferred from one person to another in such a manner as to constitute the transferee the holder thereof and enable him to sue thereon in his own name. The law governing these instruments is the *law merchant*, that is, the body of commercial usages and rules recognized by civilized nations throughout the world. The law on this subject has been codified in England, and in many of the British colonies. In the United States, a uniform negotiable instruments law has been enacted in many of the states.

Kinds of Commercial Paper.—Commercial paper includes bills of exchange, promissory notes, checks, drafts, bank notes,

certificates of deposit, letters of credit, bills of lading, warehouse receipts, bonds, debentures, and coupons.

A *bill of exchange* is an unconditional written order or request from one person (the drawer) to another (the drawee) to pay to a third person (the payee) a certain sum of money, therein named, absolutely. When sent to foreign countries, such bills are usually issued in sets of three each.

A *promissory note* is an unconditional written promise to pay to a certain person or order, or to bearer, a certain sum of money. Either one of these must be payable on demand, or at a fixed or determinable future time. When a promissory note has a confession of judgment added it is called a *judgment note*.

A bill of exchange is often called a *draft*, and this term is used particularly for a bill payable at or collectible through a bank.

A *check* is a bill drawn upon a bank, payable on demand.

A *certificate of deposit* is an acknowledgment by a bank of the deposit of money with it, payable to the order of the depositor. Such certificates are usually held to be in effect promissory notes, and negotiable as such.

A *letter of credit* is a request by one person, usually a merchant or banker, to some other person to advance money, or give credit, to a third person, named therein, for a certain sum. Letters of credit are not negotiable, but are purchased by tourists payable to themselves, being directed to certain banks or bankers in the foreign country about to be visited.

A *bill of lading* is a written acknowledgment by a carrier of the receipt for transportation.

A *warehouse receipt* is a written acknowledgment by a warehouseman of the receipt of goods for storage. Bills of lading and warehouse receipts are not technically negotiable instruments, unless made so by statute; but both may be transferred by indorsement and delivery and are good in the hands of a *bona-fide* assignee or holder for value.

Requisites of Negotiable Instruments.—The special attributes of a bill or a note are given in the foregoing definitions of each. There must also be *parties* capable of contracting

designated in the instrument; there must be a consideration to support the contract; and it must be signed and delivered. No particular phrases are needed for any instrument, but the careful business man will conform to the well-known forms in common use. The *signature* should properly be at the end, and, although usually consisting of the name written in ink, it may be made by a mark, or by a hand stamp. It may be made by a duly authorized agent. One who signs in a trade or assumed name will be liable to the same extent as if he had signed in his own name. Where a person is induced by fraud to sign a bill or note under the belief that he is signing a wholly different instrument, the bill or note will not bind him, provided he acted without negligence in so signing. If, however, he fail by his own negligence to ascertain the contents of the instrument, he will be liable thereon to a *bona-fide* holder for value. A *date*, though not absolutely essential, should be given to every instrument. An instrument is not invalid for the reason only that it is antedated or postdated, provided it be not done for a fraudulent or illegal purpose, or because it bears date on a Sunday, if it be not delivered on a Sunday. The dating of a check is as important as it is usual, for if not dated it might never be payable, though it is doubted whether a bank could legally refuse to pay an undated check. It should bear a date and it may be postdated, the last named practice having become common in the larger commercial centers. A postdated check is payable only on, or at any time after, the day of its date, being in effect the same as if it had not been issued until that date.

Ambiguous Instruments.—Where the language is ambiguous or there are omissions in an instrument, the following rules are applicable: (1) Where the sum payable is expressed in words and also in figures, and there is a discrepancy between the two, the sum denoted by the words is the sum payable; but if the words be ambiguous or uncertain, reference may be had to the figures to fix the amount. (2) Where the instrument provides for the payment of interest, without specifying the date from which interest is to run, the interest runs from the date of the instrument, and if the instrument be undated, from the issue thereof. (3) Where the instrument

is not dated, it will be considered to be dated as of the time it was issued. (4) Where there is a conflict between the written and printed provisions of the instrument, the written provisions prevail. (5) Where the instrument is so ambiguous that there is doubt whether it is a bill or a note, the holder may treat it as either at his election. (6) Where a signature is so placed upon the instrument that it is not clear in what capacity the person making the same intended to sign, he is to be deemed an indorser. (7) Where an instrument containing the words "I promise to pay" is signed by two or more persons, they are deemed to be jointly and severally liable thereon.

Parties to Negotiable Instruments.—The capacity of a party to incur liability on a negotiable instrument is the same as his capacity to make any contract. Thus, an instrument to which an infant is a party is voidable by him. So the note or bill of a lunatic or of a drunken person is generally invalid, except when taken by a party in good faith, without fraud and without notice of mental unsoundness; nor is an alien enemy liable on a negotiable instrument. Married women are now capable of being parties to such instruments. In a trading partnership, each partner can bind his copartners by making, drawing, accepting, or indorsing bills or notes in the firm name for partnership purposes. Generally, corporations have power to make, draw, accept, or indorse bills or notes. However, the indorsement or assignment of the instrument by a corporation, or by an infant, passes the property therein, notwithstanding that from want of capacity the corporation or infant may incur no liability thereon.

Consideration for Bills and Notes.—There must be a consideration for a negotiable instrument to render it binding between the original parties, as in the case of other contracts. This is usually indicated in a note by the words *value received*, but is presumed without such words. It makes no difference how inadequate the consideration may be, unless it show bad faith or fraud. If there be total failure of consideration the instrument is not enforceable between the original parties; and a partial failure is a defense to that extent, whether the failure be an ascertained and liquidated amount or otherwise.

Moreover, where there was illegality of consideration, or where there was fraud or duress used in securing the issue or negotiation of an instrument, it is not good between the immediate parties.

Holder in Due Course.—A holder in due course is one who has taken an instrument, complete and regular on its face, in good faith and for value, before it was overdue, and without notice that it has been previously dishonored if such were the fact, and who has no notice, at the time it was negotiated to him, of any infirmity in the instrument or defect in the title of the person negotiating it. Such a holder may enforce the payment of the note or bill against all parties thereto irrespective of the fact that the note or bill is unenforceable between the original parties because of no consideration, failure of consideration, illegal consideration, fraud, duress, or other defect which does not render it void absolutely; and he may pass a good title thereto to any person not a party to any fraud or illegality affecting it. Where value has at any time been given for the instrument the holder is deemed a holder for value in respect to all parties who became such prior to that time.

Accommodation Parties.—It frequently happens that one person for the purpose of lending his name, executes or indorses a note or bill for another without receiving value therefor. Such a person is called an accommodation party, and is liable on the instrument to a holder for value, notwithstanding such holder at the time of taking the instrument knew him to be only an accommodation party. However, he is not liable on such an instrument to the party accommodated.

Delivery of Negotiable Instruments.—To render a bill or note effective the possession of it must be transferred to the payee or his agent by, or under the authority of, the drawer, maker, or indorser. But the delivery must be intentional, and no liability will attach to the maker of a note who delivers it in the belief that it is a paper of a different character, the mistake being induced by the payee's fraud, and the maker being chargeable with no negligence. Depositing an instrument in the post office with the assent of the payee or indorsee

is a sufficient delivery. Generally, statute law interdicts the delivery of bills and notes on Sunday.

Indorsement of Negotiable Instruments.—If an instrument be payable to bearer it is negotiated by delivery; if made payable to order it is negotiated by the indorsement of the holder completed by delivery. Indorsement is the writing of one's name on the back of a note or bill. It is sometimes on the face; but it must be upon the instrument, or upon the paper attached thereto, and it must be an indorsement of the entire instrument.

Kinds of Indorsement.*—Indorsements may be special, in blank, restrictive, qualified, or conditional. A *special indorsement* specifies the person to whom or to whose order the instrument is to be payable, and the indorsement of such indorser is necessary to the further negotiation of the instrument. An *indorsement in blank* specifies no indorser, and an instrument so indorsed is payable to bearer, and may be negotiated by delivery. A *restrictive indorsement* is one which prohibits the further negotiation of the instrument or restricts its negotiability to a particular person, or for a particular purpose, as "Pay A only," or "Pay A, or order, for collection." A *qualified indorsement* is one limiting the usual liability of the indorser, generally made by adding to the indorser's signature the words "without recourse." A *conditional indorsement* is one by which payment is directed on the happening of a certain event, without the performance of which the instrument will not be valid. Such a condition may be disregarded, but any person taking the instrument will hold it subject to the rights of the person indorsing it conditionally.

Indorsers.—Any person legally competent to contract may be an indorser. Where an instrument is payable to the order of two or more payees or indorseees, not partners, all must indorse. Where an instrument is drawn or indorsed to a person as "Cashier" or other fiscal officer of a bank or corporation, it is deemed *prima facie* to be payable to the bank or corporation of which he is such officer, and may be

* See "Indorsements" under "Business Forms."

negotiated by either the indorsement of the bank or corporation, or the indorsement of the officer. Negotiable paper belonging to a decedent may be indorsed by his executor or administrator in a representative capacity. Where the name of the payee or indorsee is wrongly designated or misspelled, he may indorse as therein described, adding, if he see fit, his proper signature.

Acceptance of Bills of Exchange.—*Method of Acceptance.*—The acceptance of a bill is the signification by the drawee of his assent to the order of the drawer. The usual method of acceptance is by the drawee writing across the face of a bill the word *accepted*, signing his name, and writing the date of the acceptance underneath; it must be in writing and signed by the drawee. In the United States it is allowable to have the acceptance written on some other paper than the bill, but this is not usual. An unconditional promise in writing to accept a bill before it is drawn, is deemed an actual acceptance in favor of every person who, upon the faith thereof, receives the bill for value.

Kinds of Acceptances.—An acceptance may be either general or qualified. A *general acceptance* is one which assents without qualification to the order of the drawer. A *qualified acceptance* in express terms varies the effect of the bill as drawn, either by being conditional, partial, local, qualified as to time, or the acceptance of some one or more of the drawees but not of all. The holder may refuse to take a qualified acceptance. Where a bill not overdue has been protested for non-acceptance, or for better security, any person not already liable thereon may, with the consent of the holder, accept the bill for the honor of the drawee or any person liable thereon. This is called *acceptance supraprotest*. The drawer or any indorser may insert the name of any person in case the bill is not accepted or paid. Such person is called *referee in case of need*, and the holder may resort to him or not.

Presentment for Acceptance.—Presentment for acceptance need only be made where it is so expressly stipulated in the bill, or where the bill is payable after sight, or when it is necessary to fix the maturity of the instrument, or where the

bill is drawn payable elsewhere than at the residence or place of business of the drawee. The holder in such a case must present or negotiate the bill within a reasonable time. The drawee is allowed 24 hours to decide whether he will accept or not. Presentment must be made by or on behalf of the holder at a reasonable hour on a business day, and before the bill is overdue, to the drawer or some other person duly authorized to act for him; and, where there are two or more drawees not partners, presentment must be to all. Where the drawee is dead, presentment may be made to his personal representative; where he is bankrupt or an insolvent, to his trustee or assignee. Presentment is excused, and the bill considered dishonored where the drawee is dead or has absconded, or is a fictitious person or a person not having a capacity to contract by bills; or, where, after the exercise of reasonable diligence, presentment cannot be made; or, where, although presentment has been irregular, acceptance has been refused on some other ground. Generally, presentment should be made at the residence of the drawee, unless a particular place be mentioned in the bill.

Checks.—Except where specially noted, all the provisions mentioned as applying to a bill of exchange payable on demand apply to checks. A check must be presented for payment within a reasonable time after its issue or the drawer will be discharged from liability thereon to the extent of the loss caused by the delay; and it is generally held that a day after the receipt of the check is a reasonable time to present or forward the same for presentment. A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder unless and until it accept or certify the check. The certification of a check by the bank is equivalent to an acceptance, and discharges the drawer and all indorsers preceding the holder who secures the certification.

Liabilities of Parties to Bills and Notes.—The *maker* of a promissory note undertakes absolutely to pay it, and no demand of payment is necessary to fix his liability. In general, the liability of the *acceptor* of a bill is determined by the same

rules. The *drawer* of a bill engages that on due presentment the instrument will be accepted or paid, or both, according to its tenor, and that, if it be dishonored, and the necessary proceedings on dishonor be duly taken, he will pay the amount thereof to the holder, or to any subsequent indorser who may be compelled to pay it. The contract of an *indorser* is that he will pay the holder upon due presentment and demand and due notice of dishonor, and, if the instrument be a foreign bill of exchange, due protest. A person placing his signature upon an instrument otherwise than as maker, drawer, or acceptor is deemed to be an indorser. Where a person not otherwise a party to an instrument places thereon his signature in blank before delivery, he is liable as indorser as follows: (1) If the instrument be payable to the order of a third person, he is liable to the payee and to all subsequent parties. (2) If the instrument be payable to the order of the maker or drawer, or to bearer, he is liable to all parties subsequent to the maker or drawer. (3) If he sign for the accommodation of the payee, he is liable to all parties subsequent to the payee. Such an indorser is called an *irregular* or *quasi-indorser*. One who does not transfer the instrument by indorsement, but is merely a *transferer by delivery*, impliedly warrants that the signature and body of the instrument are genuine, that the parties thereto are competent to contract, that it is a valid subsisting obligation, and that he has a good title thereto. If a signature thereon be forged, or if a party thereto be incompetent, or if it be void, such a transferer is liable, not upon the instrument, but for a breach of his warranty.

Presentment of Bills and Notes for Payment.—*When and to Whom Presentment Should Be Made.*—Presentment for payment is necessary to charge the drawer and the indorsers, but not to charge the person primarily liable on an instrument unless it be made payable at a special place. Presentment should be made, by the holder or some person authorized to receive payment on his behalf, at a reasonable hour of the business day when the note or bill falls due, or within a reasonable time after its issue, if payable on demand. Where the instrument is payable at a bank, presentment for payment must be made during banking hours. It should be made to the

person primarily liable on the instrument—the maker or acceptor—or, if he be absent or inaccessible, to any person found at the place where presentment is made, or, if he be dead and no place of payment be specified, to his executor or administrator, if any there be. If no place be specified, and several persons be primarily liable and not partners, presentment must be made to all; if partners, presentment to only one is required.

Place of Presentment.—Presentment is made at the proper place if made at the place of payment specified in the instrument: or, if no place be specified, but the address of the person to make payment be given in the instrument, at such address: or, if no place or address be specified, at the usual place of business or residence of the person to make payment: or, in any other case, at his last known place of business or residence, or if presented to him wherever he can be found.

When Presentment Is Dispensed With or Excused.—Presentment is dispensed with where, after the exercise of reasonable diligence, the required presentment cannot be made, or where the drawee is a fictitious person, or by waiver of presentment. Presentment is not required to charge the drawer where he has no right to expect or require the drawee or acceptor to pay, nor to charge an indorser where the instrument was made or accepted for his accommodation and he has no reason to expect that it will be paid if presented. Delay in making presentment is excused when the delay is caused by circumstances beyond the control of the holder, and not imputable to his default, misconduct, or negligence.

Maturity of Negotiable Instruments.—Where a bill or note is payable at a fixed period after date, after sight, or after the happening of a specified event, the time of payment is determined by excluding the day from which the time is to begin to run, and by excluding the date of payment. A month means a calendar month without reference to the number of days in a month. Thus, if a note be dated April 30, it will be due May 30; but if it be dated January 29, or January 30, or January 31, it will be due February 28, or February 29 if it be a leap year.

Days of Grace.—Formerly there were allowed three days of grace to be added to the time of payment of negotiable instruments. In the United States, the states having negotiable instruments laws, together with many other states, have abolished these days; in others they are allowed, except as to drafts and checks on banks. Thus, grace has been abolished in Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Idaho, Illinois, Maryland, Montana, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin. In the other states and territories, it is allowed on all instruments payable at a fixed time after date, except in Maine, Massachusetts, and Rhode Island. In Alabama, Arizona, Arkansas, Indian Territory, Indiana, Mississippi, New Mexico, Oklahoma, Rhode Island, South Dakota, Washington, West Virginia, and Wyoming, grace is also allowed on bills and notes payable both at sight and on demand. In Iowa, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Nebraska, North Carolina, Rhode Island, South Carolina, and Texas, grace is on bills payable at sight, and in Nevada it is allowed on notes and bills payable on demand. In England and in Canada grace is allowed on all instruments payable at a fixed period after date.

Instruments Maturing on a Holiday or Sunday.—In Arkansas, Delaware, Georgia, Indian Territory, Indiana, Kansas, Kentucky, Minnesota, Mississippi, Nevada, Tennessee, and Wyoming, notes and bills which would mature on a Sunday or holiday are payable and protestable the next preceding business day. Elsewhere in the United States such instruments are due the next business day after such Sunday or holiday. In those states where Saturday is a half holiday, instruments falling due on Saturday are to be presented for payment on the next succeeding business day, except that instruments payable on demand may, at the option of the holder, be presented for payment before 12 o'clock noon on Saturday, when that entire day is not a holiday. As to what are holidays see the list of "Legal Holidays" in the various states.

Dishonor of Negotiable Instruments.—A bill of exchange is dishonored by non-acceptance or by non-payment: a promissory note and a check, by non-payment. Dishonor for non-acceptance occurs when the bill is duly presented and acceptance refused, or where presentment is excused and the bill is not accepted. Dishonor for non-payment occurs where the instrument is duly presented, or presentment is excused and payment is not made.

Notice of Dishonor.—Except when excused or dispensed with, notice of dishonor must be given by the holder in order to hold the drawer or the indorser. Such notice may be in writing or merely oral, and a written notice need not be signed, nor will a misdescription of the instrument vitiate the notice unless the party to whom the notice is given be actually misled thereby. Notice may be given by or on behalf of the holder or any party to the instrument who might be compelled to pay it to the holder, and who, upon taking it up, would have a right to reimbursement from the party to whom the notice is given. Where the instrument is dishonored in the hands of an agent, he may either himself give notice to the parties liable thereon, or he is allowed the usual time for giving notice to his principal. Where notice is given by or on behalf of a party entitled to give notice, it enures for the benefit of the holder and all parties subsequent to the party notified.

How and When Notice Must Be Given.—Where the person giving and the person to receive notice reside in the same place, notice must be given within the following times: If given at the place of business of the person to receive notice, it must be given before the close of business hours on the day following; if given at his residence, it must be given before the usual hours of rest on the day following; if sent by mail, it must be deposited in the post office in time to reach him in usual course on the day following. Where the person giving and the person to receive notice reside in different places, the notice must be given within the following times: If sent by mail, it must be deposited in the post office in time to go by mail the day following the day of dishonor, or, if there be no mail at a convenient hour on that day, by the

next mail thereafter; if given otherwise than through the post office, then within the time that notice would have been received in due course of mail if it had been deposited in the post office within the time just specified. Where notice is duly addressed and deposited in the post office, the sender is deemed to have given due notice, notwithstanding any miscarriage in the mails. Where a party receives notice, he has, after the receipt of such notice, the same time for giving notice to antecedent parties that the holder has after dishonor.

Place to Which Notice Must Be Sent.—Where a party has added an address to his signature, notice of dishonor must be sent to that address. But if he give no such address, notice must be sent either to the post office nearest his place of residence or to the post office where he is accustomed to receive his letters; or, if he live in one place and have his place of business in another, notice may be sent to either place; or, if he be sojourning in another place, notice may be sent to the place where he is sojourning. But if he actually receive notice within the time specified, it will be sufficient though not sent according to the foregoing requirements. If the party be dead, notice should be sent to his executor or administrator, or if there be none, to the last place of business or residence of the deceased. Notice to joint parties not partners must be given to each of them; if they be partners, notice to one is sufficient. Where the party is a bankrupt, insolvent, or has made an assignment for creditors, notice may be given either to the party or to his trustee or assignee.

When Notice Is Excused or Dispensed With.—Notice of dishonor may be waived either expressly or by implication, and a waiver of protest is always a waiver of presentment and notice of dishonor. Delay in giving notice is excused when the delay is caused by circumstances beyond the control of the holder, and not imputable to his default, misconduct, or negligence. Notice is dispensed with when after the exercise of reasonable diligence it cannot be given or does not reach the parties to be charged. Notice is not required to be given the drawer where the drawer and the drawee are the same person, when the drawee is a fictitious person or one incapable

of contracting, where presentment for payment is made to the drawer, where the drawer has no right to expect that the drawee will honor the instrument, or where the drawer has countermanded payment. Notice to the indorser is not required where the indorser knew that the drawee was a fictitious person or one incapable of contracting, where the instrument is presented for payment to the indorser, or where it was made or accepted for his accommodation. Where notice of dishonor by non-acceptance has been given, notice of a subsequent dishonor by non-payment is not necessary, unless in the meantime the instrument have been accepted.

Protest.—Where any negotiable instrument has been dishonored it may be protested for non-acceptance or non-payment, as the case may be; but, to hold the drawer and indorsers, protest is required only for foreign bills of exchange, that is, those drawn in one state or country and payable in another state or country. Protest is usually made by a notary, but may be made by any respectable resident of the place where the bill is dishonored, in the presence of two or more credible witnesses. It must be made on the day of dishonor at the place of dishonor; but it is excused or dispensed with for the same reasons that would excuse or dispense with notice of dishonor. The protest must be annexed to the bill or contain a copy thereof, must be under the hand and seal of the notary making it, and must specify the time and the place of presentment, the fact that presentment was made and the manner thereof, the cause or reason for protesting the bill, the demand made and the answer given, or the fact that the drawee or acceptor could not be found. When a bill is lost or destroyed or is wrongly detained from the person entitled to it, protest may be made on a copy or written particulars thereof. To hold the drawer and the indorsers, notice of protest must be given them, and this is usually done by the notary.

Forgery and Loss of Bills and Notes.—*Forgery.*—Forgery consists in falsely making or materially altering any writing, with fraudulent intent, to the injury of another. When a signature is forged or made without the authority of the person whose signature it purports to be, it is wholly inoperative.

A **material** alteration of a check or note after its execution, as **changing** the amount or the time, or adding "with interest," destroys its validity. But such alteration or forgery may be ratified or waived subsequently by the party made liable. Furthermore, if the drawer or maker of a bill or a note fill up the blanks so negligently that it may be altered readily, such a bill or note will be good in the hands of a *bona-fide* holder for value. A bank is bound to know the signature of its depositor, and cannot charge against him money paid on his forged signature, though it may charge against him payment made on a raised check, provided his negligence in failing to take ordinary precaution in filling up blanks facilitated the forgery and led the bank into error.

Negotiable Lost Instruments.—When an instrument has been lost, the owner should give immediate notice of loss to all parties liable on it, to prevent their paying it to the finder, or other person having no title thereto. If the party liable to pay the amount should pay it at the maturity of the instrument *bona fide* and without notice of the loss, he discharges the debt, and the loss falls upon the loser, provided the instrument be payable to bearer or indorser in blank. When the party liable pays the amount to the holder who claims that the instrument has been lost or destroyed, it is customary to require from such payee an indemnity bond. The fact that a bill or note has been lost or destroyed is no excuse for want of demand, notice of dishonor, or protest.

PARTNERSHIP

Nature and Formation.—A partnership is the contract relation subsisting between persons who have combined their property, labor, or skill in an enterprise or business as principals, for the purpose of joint profit. The contracting parties, called partners, or copartners, are collectively called a firm. The business man usually considers the firm as an entity—like a corporation—distinct from the partners who compose it; but the law has generally refused to adopt this view, regarding the partners as joint owners of the firm property, and jointly liable for firm debts. The leading incidents of

the partnership relation are a mutual agency of each partner for his associates within the scope of the business, a joint liability of the partners for firm debts whereby any partner may be compelled to satisfy the whole debt out of his private estate, a relation of trust and confidence between the partners, and a community of profit and loss. Mere sharing of profits will not make one a partner; to make the parties partners in reality the sharing of profits and losses must be by parties who have united their property, labor, or capital in some lawful enterprise in which each is to be a principal or proprietor.

The Partners.—Persons incompetent to contract, as lunatics and alien enemies, may not become partners. An *infant*, since his contracts are voidable only, may become a partner and have all the rights and duties of a partner. But the plea of infancy will exempt his private property from liability for firm debts. On attaining majority he may ratify the contract, and will thus be bound to third parties. The statutes have generally given *married women* some power to become partners, except with her husband. Even where a married woman has no power to enter a partnership, her contribution to the firm capital will be liable for firm debts. Strictly, a *corporation* cannot enter into a partnership, either with individuals or with other corporations, unless authorized by charter or statute. Partners may be active, ostensible, nominal, secret, silent, or dormant. An *active partner* takes an active part as partner in the firm's business. An *ostensible partner* is one who is held out to the world as such, and where he is not actually a partner, he is called a *nominal partner*. One who is active in the management of the firm's business but who is not known as a partner, is called a *secret partner*; if he take no part in the firm's business, he is a *silent partner*; if he take no part in the firm's business and his name does not appear in the title of the firm, he is a *dormant partner*.

Articles of Partnership.—A real partnership is formed by mutual agreement between the parties. This need not be in writing, but a written agreement signed by the partners is preferable. Such an agreement, called the articles of partnership, should contain (1) the names of the contracting

parties; (2) the fact that they thereby constitute themselves a partnership; (3) the time of the commencement of the partnership; (4) its duration; (5) the nature of the business; (6) the place where it shall be carried on; (7) the name of the firm; (8) the parties to manage the business; (9) the property, labor, or skill contributed by each; and (10) the proportion in which the profits and losses are to be shared. Provisions may also be inserted as to when profits are to be divided and accounts settled, as to the manner of settlement at the end of the term, as to restrictions on the power of any partner, as to arbitration of disputes between partners, as to continuance of the business after the death of any partner, and as to various other matters.

Limited Partnership.—Statutes have been enacted in several jurisdictions providing for the formation of partnerships in which there may be general partners with unlimited liability, and special partners whose liability is limited upon the compliance with certain requirements. There are also joint-stock companies in which the liability of all the partners is limited, and which differ but little from corporations. For the details as to these organizations the statutes of each jurisdiction must be consulted.

Partnership by Estoppel.—As to third parties, a partnership may be formed by implication; that is, a person really not a member of a firm may, by holding himself out as such, or allowing others so to hold him out, become liable personally for the firm's debt to a third party who has thus been misled. Such a person is called a partner by estoppel. The holding out may be by actual assertion or conduct of the party, or by failure to deny such assertion by others, or by allowing his name to be used on the signs or letter heads of the firm.

PARTNERSHIP PROPERTY

Firm Capital.—The capital of a partnership consists of the sums contributed by the partners for carrying on the business. Such contributions may be in money, or in goods, real estate, patent rights, trade-marks, or other forms of property. Capital must be distinguished from loans by the partners to the firm. The firm capital and whatever is added

thereto or acquired by means thereof belongs to the firm as joint property. One partner may not take any specific portion of the partnership and claim it as his exclusively. His interest is merely a right to share in the assets of the firm after its debts have been paid. A partner may sell his interest in the firm. This causes dissolution of the firm, and the purchaser acquires only a right to an accounting, and to the partner's share of the balance remaining after a full settlement. The joint property may be converted into the separate property of a partner or a stranger by a sale with the consent of all the partners.

Partnership Real Estate.—A partnership, not being a distinct person as a corporation, cannot hold real estate in its own name; but the partners take title jointly, even though the conveyance be in the firm name. Real estate contributed as firm capital, or purchased with the funds of the firm, although the title be in only one of the partners, is held in trust for all. So far as partnership real estate is necessary for the payment of debts and the adjustment of partnership accounts, it is regarded as converted into personalty, and the rights of the widow and heirs of a deceased partner are so determined. But when the partnership is wound up, the real estate takes its original character. So far as conveyancing is concerned, partnership realty is always realty.

Good-Will and the Firm Name.—The good-will of the business of a trading partnership is an asset of the partnership, though not a part of the capital. It is defined as every possible advantage acquired by a firm in carrying on its business, whether connected with premises or name or other matter. It does not pass with a sale of the property of the firm, but it does pass by a sale of all the assets of the firm or all the interest of any partner therein. The firm name is also an asset of the partnership, sometimes of great value. This may be sold separately, but is usually done only in connection with the business or good-will. Trademarks and trade names used in the partnership business become part of the firm's assets, and may be transferred with other property.

RIGHTS, DUTIES, AND LIABILITIES OF PARTNERS

Rights and Duties Among Partners.—In general, the rights of each partner are: To have an equal voice in the management of the business of the firm, unless it be otherwise provided in the partnership agreement; to receive his share of the profits and the surplus after dissolution, as agreed; to have an accounting to ascertain the value of his interest; and to have the firm assets applied first to the payment of firm debts before the creditors of an individual partner can reach his interest in such assets. When the partners are unequally divided, the majority acting in good faith within the scope of the partnership controls all matters relating to the conduct of the partnership business. The duties of a partner are: To exercise the highest degree of good faith in dealing with the others; to exercise due diligence and skill in the prosecution of the partnership business; and not to use firm property for his own benefit, or, to account for it to the others, if he so use it.

Power of Partner to Bind Firm.—Every member of an ordinary partnership is a general agent of the firm for the transaction of its business in the ordinary way. The contract of partnership generally determines the limit of each partner's power; but, where it does not or where the third party with whom the partner is dealing has no notice of such limitations, the power of the partner to bind the firm is determined by the nature and scope of the partnership business according to the usual and ordinary course by which such a business is carried on in the same locality. Even when a partner acts beyond his authority, his act may be subsequently ratified by the other partners, as the act of any agent may be ratified.

Particular Powers of Partners.—Each partner, unless otherwise restricted, has implied power to *collect* and receipt for the debts due the firm, and to *pay debts* due by the firm. He may *purchase* for the firm, and on its credit, such goods as are necessary for the firm's business; and he may *sell* the goods of the partnership, and *employ servants* and agents, for any *purpose* within the scope of its business. He may *borrow money* for the needs of the partnership, and may *mortgage* or *pledge* the firm property as security therefor. A member of a

trading partnership has implied authority to *issue and indorse commercial paper* in the name of the firm; and even if he give such paper for a private debt without the authority of his copartners, the firm is bound to a *bona-fide* holder for value, but not to a holder with notice. The *declarations and admissions* of one partner as to partnership business are evidence against the firm. However, a *sealed instrument* executed by one partner without authority binds him only. Nor has a partner implied authority to *confess judgment* against the firm, nor to bind his copartners by a *submission to arbitration*, nor to make an *assignment* of all the firm's property for the benefit of creditors.

Liabilities of Partners.—A partner is liable to his copartner for any breach of duty he owes them. All the partners are *prima facie* liable to third parties for any act done by a partner for the firm within the scope of its business. The liability of the firm for the torts of a partner, like its liability on contracts, is determined by whether such torts be committed while acting for the firm within the scope of his apparent authority. So the firm will be liable for fraud and wrongs done by a partner in the ordinary course of business. Every member of an ordinary partnership is individually liable for all the obligations of the firm; but, when one partner is compelled to pay the whole of a partnership debt, he can recover from his copartners their just proportion of the amount he has been compelled to pay. An incoming partner is not liable for the debts of the firm incurred before he became a member, unless he agree to assume such liability. A retiring partner is not released as to creditors from liability for the existing debts of the firm; and he may be held liable to subsequent creditors without notice, unless he properly notify the public of his withdrawal. A dormant partner, however, to escape liability, need give notice only to those to whom he was known as a partner.

DISSOLUTION OF PARTNERSHIP

Dissolution by Act of the Law.—The existence of a partnership may be ended by the *death* of any partner, unless provided otherwise by the articles of partnership, and by the

surviving partners are sole owners of the firm property for the purpose of winding up its affairs. A judgment of *bankruptcy* against the firm, or any of its members, dissolves it. A *declaration of war* dissolves partnerships existing between citizens or subjects of the antagonistic states. In a proper case, a partnership may be dissolved by a *decree of court*, even though the partnership be for a fixed time. The common grounds for such a decree are the misconduct, fraud or misrepresentation, insolvency, or permanent insanity of a partner, chronic quarreling and hostility of the partners, abandonment of the undertaking, or hopelessness of success.

Dissolution by Act of the Partners.—A partnership formed for no specified time may be dissolved at any time by the withdrawal of any partner, who must give notice to his copartners of his intention. If the partnership be for a fixed time, it may be dissolved before that time by mutual consent; but, if a partner withdraw without the consent of his copartners, he is liable to them for the damages they may sustain thereby. The expiration of the period fixed for its duration, or the completion of the enterprise for which it was formed, will dissolve the partnership. The sale or transfer by a partner of his interest in the firm dissolves it, although the other partners may accept the purchaser as a new partner if they so agree. An assignment for the benefit of creditors executed by the firm, or the sale or total destruction of all its property in which it dealt, will dissolve the partnership. Before the enactment of the married women's property acts, the marriage of a female partner dissolved the partnership; and even under the statutes the marriage of copartners dissolves the firm.

Notice of Dissolution.—On dissolution, unless it be a dissolution by act of law, partners must give notice of the same; otherwise they may be bound to third parties who give credit to their late associates in the belief that the partnership still subsists. As to those who have formerly dealt with the firm giving it credit, actual notice must be given either personally or by mailing such notification; as to other persons, a notice by publication in a newspaper of general

circulation at the place where the business is carried on is sufficient.

Effect of Dissolution.—The dissolution of the partnership ends the authority of each partner to contract for the firm as far as any new business is concerned. Their only powers relate to the collection and payment of the firm's debts, the completion of unfinished contracts of the firm, and the winding up of its affairs.

Distribution of Assets.—The assets of a partnership are distributed in the following order:

(1) Debts due third parties must first be paid. If the partnership property be insufficient to pay such debts the firm creditors are paid *pro rata*, and then must seek satisfaction from the individual property of the partners, if any there be.

(2) Advances of any partner to the firm should be repaid to him, or to his representatives.

(3) Each partner should be repaid his capital according to the articles of partnership; or, if there be a deficiency of assets, *pro-rata* shares should be repaid.

(4) Any surplus remaining after payment of debts, advances, and capital must be distributed in the proportions agreed upon.

BANKS AND BANKING

Definitions and History.—A bank is an institution, generally incorporated, authorized to receive deposits of money, and to issue promissory notes, known as bank notes, or to perform some one or more of these functions. Banking is the operation or performance of the business of a bank; a banker is one who is engaged in banking; and a banking house is the place where the business of banking is conducted. In general, every person, firm, or corporation having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, or commercial paper, or where stocks, bonds, bullion or commercial paper are received for discount or for sale, is regarded as a banker, or his or its place of business a bank.

Modern banking may be traced to the money dealers of Florence, as far back as the fourteenth century. The Bank of Venice was the first important bank founded in Europe, and the Bank of England was the fourth. The first bank in America was the Bank of North America, established in Philadelphia, in 1782. The importance of banks at the present time may be understood from the fact that there were in the United States, in 1902, 4,269 national banks alone, with a capital and surplus aggregating nearly \$1,000,000,000 and that there were in the same year over 13,000,000 bank depositors, representing about \$8,000,000,000 of deposits. The deposits in the savings banks of the United States in 1902 were over \$2,750,000,000.

Classes of Banks.—Banks, in the commercial sense, are of three kinds, to wit: (1) of deposit; (2) of discount; (3) of circulation. All or any two of these functions may, and frequently are, exercised by the same association; but there are banks of deposit without authority to make discounts or issue a circulating medium. As to their general kinds, banks are national, state, and savings banks, private banks or bankers, and loan and trust companies. Classified by reference to their mode of organization, banks are either corporate or private, the former including national banks, state banks, savings banks, and loan and trust companies.

National banks, in the United States, are authorized by congress by the national bank act, which prescribes the manner in which the business shall be carried on, and provides for their inspection by government bank examiners. Upon the deposit with the treasurer of the United States, by any national banking association, of any bonds of the United States, such association shall be entitled to receive from the comptroller of the currency circulating notes equal in amount to the par value of the bonds so deposited. But, in case the market value of such bonds shall fall below the par value of the circulating notes outstanding, the comptroller of the currency may require additional deposits of bonds or of lawful money. It is also provided that the total amount of such notes issued to any association shall not exceed at any time the amount of its capital stock actually paid in.

State banks are organized under state laws, and perform the same functions as national banks except that of issuing notes. They are usually subject to inspection by state examiners. Savings banks and loan and trust companies may be classed as state banks.

Savings banks are depositories for the care and investment of funds entrusted to them, returning to the depositors the sums deposited with interest or profits, according to the rules fixed by the officers and permitted by their charters and by statute.

Loan and trust companies are incorporated banking institutions empowered to accept and execute trusts, to receive deposits of money and other personal property, and to lend money.

Private banks, conducted either by individuals or by partnerships, may have such banking privileges as are not prohibited by statute. In some states, only incorporated institutions may exercise banking powers.

Incorporation of Banks.—National banks are incorporated under the authority of the national bank act by the association of five or more natural persons. The articles of association specifying the object, and an organization certificate, must be filed with the comptroller of the currency. Within two years of the expiration of its corporate existence, any national bank may, with the approval by the comptroller of the currency of the amended articles of association consented to by two-thirds of the stockholders of the bank, extend its period of succession for a further term of twenty years. Provision is also made for converting state banks into national banks. The capital of a national bank in a city of over 50,000 inhabitants must not be less than \$200,000. Elsewhere the capital must not be less than \$100,000, except that with the sanction of the secretary of the treasury banks may be organized in places of not more than 6,000 inhabitants with capitals not less than \$50,000, and in places having less than 3,000 inhabitants with capitals not less than \$25,000.

State banks, including savings banks and loan and trust companies, are organized under the general banking laws of the particular state in which they are located, or, in some states, under the general corporation laws. In some states,

moreover, banks may be incorporated by special charters, but this is usually prohibited.

Powers and Functions of Banks.—The principal functions of a bank are to receive and take care of deposits, to issue and circulate notes as money, and to discount commercial paper. The chief source of profit to a bank is derived from loaning its capital and deposits at interest, while other income is received from charges on collections, the sale of drafts, and the rental of safe-deposit boxes. The powers of incorporated banks are limited to those granted by their charters, and the powers of any bank or banker may be limited by statutory regulation. The incidental powers of a bank include the powers to borrow money, to act as broker, to purchase and hold property, and to deal in stocks; but such powers may be, and usually are, limited by certain restrictions.

Among the most usual functions of a bank is the collection of commercial paper. On receipt of a note or bill for collection, the bank becomes the agent of the depositor for the purpose of collection, and it is bound to exercise ordinary care and diligence in the various steps to be taken in making collection, such as presentment for acceptance or payment, protest for non-acceptance or non-payment, and notice of dishonor. A bank which forwards paper for collection must exercise due care in the selection of its correspondent, and it will be liable for negligence in choosing an unsuitable correspondent. It is best for the depositor who deposits paper for collection to indorse it "for collection," thus preventing any third person from receiving the paper from the bank as a *bona-fide* holder for value.

The term *discounting*, as used in banking, means the purchase of commercial paper by a bank, or bankers, before maturity, deducting the interest, and taking the indorsement of the transferrer thereon by way of security. The taking of legal interest in advance is not usurious. National banks are permitted to charge the rate of interest fixed by the laws of the state for natural persons, unless a higher rate be allowed to banks of issue, in which case they may charge the latter rate. Where no rate is fixed by the laws of the state, national banks may charge seven per cent.

Bank Deposits.—Deposits received by a bank are of two kinds—special and general. A special deposit may be something else than money. Its characteristic feature is that title to the thing does not pass to the bank except as bailee, but continues in the depositor, who, in case the bank becomes insolvent, is entitled to recover the full amount of his deposits before the general creditors of the bank receive any proportion of their claims.

Special deposits may be (1) for investment, in whatever securities specified; (2) for the payment of particular debts, as for the extinguishment of the depositor's liability on commercial paper outstanding in the hands of a third party; (3) for safe keeping, as of package of valuables placed in the vaults of the bank; or (4) for collection. The deposit of trust funds generally by an administrator, executor, agent, or other trustee is not special, but general, and the depositor is entitled to no preference over the other creditors of the bank.

General deposits are those of money made by the bank's customers which are entered to their credit, subject to be paid on demand by check, with or without interest as agreed upon. The title to the money so deposited passes to the bank, which then becomes liable to the depositor for the amount as a debt. A bank is not bound to receive on deposit the funds of every person who offers them for that purpose, but may select its own customers. The obligation of the bank is to pay the amount of the deposit upon the demand or the check of the depositor, without interest, unless there be an express agreement to pay the interest. In case of savings banks, the depositor's pass book is made transferable by writing, and ordinarily is accepted as evidence of authority to withdraw deposits without the execution of a check. The depositor is entitled to draw out the money he has deposited, but he may be required to make his checks conform to the terms of the deposit. Money deposited in the name of a firm cannot be drawn out by the individual check of one of the firm in his own name; but where one of the members of a firm has died, the surviving partner may check out the firm's deposits in the firm's name for the business of the firm. An assignee for the benefit of creditors of a

depositor is entitled to withdraw the sum on deposit. A bank has the right to set off its indebtedness incurred by a deposit against an indebtedness owing it by a depositor.

Liability of Stockholders of Banks.—The rights and duties of the stockholders of incorporated banks are, in general, similar to those of stockholders of other corporations; but there is imposed a further liability on stockholders of national bank shares. The national bank act declares that the holders of the shares of a national bank are individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of the association to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares. The laws of some of the states have imposed a similar liability upon the stockholders of banks organized under state laws.

Officers and Employes of Banks.—The managing officials of an incorporated bank are the directors, who are elected by the stockholders. The board of directors performs whatever duties the charter and by-laws of each particular bank may provide, and elects the other officers, the most important of which are the president, vice-president, and cashier. The president is the official head of the bank and represents the board of directors in the management. The vice-president acts in place of the president when the latter is absent or does not act. The cashier is the executive officer of the bank, and has charge of its internal management. The other employes are tellers and clerks having various duties assigned to them. Directors of banks, besides being liable as directors of other corporations, are usually subject to further liabilities for all damages sustained by the bank, its shareholders, or other persons, by reason of any fraud or violation of law by such directors.

DUTIES AND LIABILITIES OF DIRECTORS OF NATIONAL BANKS

General Duties.—Directors of a national bank are clothed by the national bank act with the duty of general supervision and control over its affairs, and they are required, in the performance of such duty, to act in good faith, with ordinary

diligence and intelligence. They must exercise ordinary care and prudence, and this includes something more than officiating as mere figureheads. While they may properly commit the details of the business management to duly authorized officers, they are not themselves absolved from the duty of reasonable supervision. Want of knowledge of wrong-doing will not shield them from liability, if that ignorance be the result of gross inattention.

The status of a director of a national bank is that of an officer or agent thereof. The power given to directors to manage the bank's affairs implies a considerable element of discretion, in the exercise of which, if they make loans or discounts for the supposed advantage of the institution, they are not criminally responsible, even though such acts prove injudicious and unsafe. If such loans or discounts be made in bad faith, with intent to injure or defraud the bank, the directors will be criminally responsible.

Loans in Excess of the Statutory Limit.—The national bank act provides that "the total liabilities to any association, of any person, or of any company, corporation or firm, for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed one-tenth part of the amount of the capital stock of such association actually paid in. But the discount of bills of exchange drawn in good faith against actually existing values, and the discount of commercial or business paper actually owned by the person negotiating the same, shall not be considered as money borrowed." Directors who participate or consent to a loan to an individual at any one time of an amount exceeding one-tenth of the capital actually paid in are liable to the bank for all losses caused thereby; but such an act will not constitute a criminal offense. If directors assent to a loan in excess of the limit and subsequently retire paper representing a part of the loan, by charging it against an illegal dividend, declared when the bad paper reckoned to make up an apparent surplus more than exceeds the capital stock, the transaction is invalid; for the payment of the paper thus retired, the directors are personally liable for damages sustained in consequence of excessive loans.

Criminal Offenses.—The national bank act creates and defines several distinct offenses, which, though termed misdemeanors, are felonies involving imprisonment in a penitentiary for a term of years. Included in these offenses, by any director or other officer, are: Misapplying or embezzling bank funds; putting bank notes in circulation, without authority from the board of directors; drawing or accepting a bill of exchange; assigning any note, bond, draft, bill of exchange, mortgage, judgment, or decree; making false entries in any book, report, or statement of the bank, with intent to injure or defraud the bank or other person, or to deceive any officer of the bank or any agent appointed to examine the bank's affairs.

Overdrafts.—Not all acts prohibited by the national bank act are criminal offenses. For instance, the mere fact of payment by the officers of a national bank of a check which constitutes an overdraft does not amount to a criminal misapplication of the funds of a bank, but a bank officer, not acting in good faith, has no right to permit overdrafts when he does not believe, and has no reasonable ground to believe, that the moneys can be repaid. If coupled with such wrongful act, the proof establishes that he intended by the transaction to injure and defraud the bank, the wrongful act becomes a crime. For example, a bank officer who allows a firm of which he is a member to overdraw its account, with intent to defraud the bank of the money, is guilty of misapplication of the funds of the bank. A director of a bank, who, knowing that he has no money to his credit in the bank and no right to draw money therefrom, obtains from the bank money to which he has no right, by means of his overdraft, made with intent to defraud, and converts such money to his own use, in fraud of the bank, is guilty of a misapplication of the funds of the bank.

CLEARING HOUSES

A clearing house is a place where the representatives of certain banks, associated for that purpose, meet, and, under the supervision of a committee or officer selected by the members, settle their accounts with one another, and make

and receive payment of balances. Such clearing houses are now established in all the principal cities. The leading banks of a city connect themselves with this organization, and, through the banks of other cities, especially New York, with other clearing houses. The clearings of the New York clearing house for 1902 were \$74,753,189,435, but the money required to balance this large sum was only \$3,377,504,072. The clearings for the whole United States for 1902 were \$116,021,618,003.

The usual manner of operating a clearing house is as follows: Clerks from each bank attend the clearing house at a certain hour each day with checks and drafts, usually called exchanges, on other banks belonging to the clearing house. These exchanges are distributed by messengers among the clerks of the banks that must pay them, each bank in turn receiving from all other banks the exchanges they have received drawn on it and which it must pay. The exchanges which a bank takes to the clearing house are called creditor exchanges; the exchanges which it receives from other banks represented there are called debtor exchanges. If the creditor exchanges of a bank exceed its debtor exchanges, it is a creditor bank, and must be paid the balance; if the reverse be the case, it is a debtor bank and must pay the balance. The balances are paid by the debtor banks to the clearing house for the creditor banks.

In the New York clearing house, two clerks from each bank attend every morning, where one takes a position inside of a counter at a desk bearing the number of his bank, the other standing outside the counter holding parcels containing checks on each of the other banks received the previous day. At the sound of a bell, the outside men begin to move, and at each desk they deposit the proper parcel, with an account of its contents, until after making the circuit of the desks, they have returned to their own places. At the end of this process, the representative of each bank has handed to the representatives of every other bank the demands against them, and received from each of the other banks their demands on his bank. A comparison of the amounts tells him at once whether he is to pay or receive.

The packages held by the clerks of the respective banks are not opened in the clearing-house room, the total amount thereof, but not the items, being marked on the outside of the envelopes. Errors in the packages are rectified solely between the sending and receiving banks, and are not reported to the clearing-house manager, who makes up a sheet and adjusts the differences to be paid to, or by, each bank.

In further illustration of the working of the system, suppose the Merchants National Bank of Philadelphia sends checks drawn on other banks to the clearing house amounting to \$50,000, and other banks in the same city send on the same day checks drawn on the Merchants National Bank to the amount of \$40,000, the settlement would be made up showing a balance of \$10,000 in favor of the "Merchants," which is paid with a clearing-house certificate, or due bill.

AGENCY

Definitions.—Agency is the relation between two or more persons created by a contract, express or implied, by which one party (the agent) undertakes, with more or less discretionary power, to represent another (the principal) in the transaction of certain lawful acts or business. Agents are divided into a variety of classes, the most usual being general and special. A general agent is one authorized to transact all the business of his principal of a certain kind or in a certain place. A special agent is one authorized to act only in a specific transaction.

Who May Be Principal and Agent.—Generally, every person who is competent to act in his own right and in his own behalf may act by an agent, but lunatics, infants, alien enemies, and all who are incapable of contracting, may not be principals. Any person of sound mind and understanding may be an agent. Husband and wife are competent to be agents for each other. An infant—one under twenty-one years of age—may be an agent and bind his principal by his acts. Any one, except a lunatic, imbecile, or infant of tender years, may be an agent.

APPOINTMENT AND AUTHORITY OF AGENTS

The authority of the agent may be given expressly or may be implied. Express appointment of the agent may be by instrument under seal, by writing not under seal, or verbal. When the act to be done by the agent is the execution of an instrument legally requiring a seal, the authority must be given under seal. Such a formal authority is called a power of attorney, and the agent is an attorney in fact. Statutes, in some cases, require the agent's authority to appear in writing; otherwise, it may be verbal for all simple contracts. The authority of the agent is implied when one has so placed another that the latter may be fairly understood by strangers to represent him, the principal, who will not be allowed to escape liability to one who, acting in good faith, has relied on these appearances.

Scope of Authority.—The principal is bound by, and entitled to the benefits of, all the acts and contracts of his agent done or made in good faith within the apparent scope of the agent's authority. Wherever the acts of the agent will bind the principal, there the representations, declarations, and admissions of the agent in respect to the same subject-matter will bind him, if made at the time of the transaction. The measure and scope of the agent's authority, when not expressly defined, must be determined by the nature and requirements of the thing to be done by him. Where an agency is created by a written instrument, the nature and extent of the authority must be ascertained from the instrument itself and not by outside evidence. But where the principal by his declarations or conduct allows third parties to believe that the agent has more extensive powers than those really granted, he will be bound to such third parties who have dealt with the agent upon the faith of such apparent authority. The authority of a special agent will be strictly construed, while the authority of a general agent will be broadly construed.

Acting by Subagent.—An agent cannot, without authority, appoint a third person to discharge the duties of the agency so as to make the latter the agent of the principal. In such a case, the agent, and not the principal, is liable for the acts

of the subagent. An agent, however, may delegate to another the execution of such of his powers or duties as are merely mechanical.

How the Authority Should Be Executed.—When the act to be done by the agent is the execution of a sealed instrument, he should execute it in the name of his principal. If the agent contract in his own name, describing himself as agent or attorney for his principal, the contract is the contract of the agent and not of the principal. If C. D. execute a deed for A. B., he should sign "A. B., by his attorney in fact, C. D." In any written instrument, whether under seal or not, the agent must in some way stipulate for his principal by name. In case the instrument be not under seal, the test as to who is liable on the contract is whether the intent of the agent to bind the principal be clearly expressed. As to negotiable instruments executed by an agent, the agency must be clearly indicated in his signature. A note signed "A. B., agent of C. D.," or "A. B., Pres. of the C. D. Co.," or "A. B., agent," would bind A. B. only. But if it be signed "A. B., agent for C. D.," or "C. D. Co., by A. B., President," it is then the note of C. D., or the C. D. Co.

Ratification of Agent's Acts.—Whatever the agent does without the express or implied authority of the principal, does not bind the principal, unless he subsequently, with full knowledge of the facts, adopt the act and recognize it as his own. Such ratification may be express or it may be implied from the acts and conduct of the principal.

DUTIES AND RIGHTS OF AGENTS

The agent's duties to the principal are obedience, diligence, skill, and loyalty. He is liable to the principal for any loss that results from not obeying instructions, or from not using ordinary care and diligence in the discharge of his duties. He is excused from not obeying instructions only in cases of sudden emergency or necessity. He should keep accounts of his dealings as agent, and should not mingle the goods or funds of the principal with his own. An agent may not act for the principal and at the same time for himself or for another in the same transaction. The agent is entitled

to compensation for his services as agreed upon, or, in the absence of agreement, as much as such services are reasonably worth. The agent is also entitled to be indemnified for expenses reasonably incurred in the agency, unless it be expressly stipulated otherwise. All profits, however, made in the course of the agency belong to the principal.

RIGHTS OF THIRD PARTIES

Principal's Liability to Third Parties.—Generally, the principal is bound by the agent's acts performed in behalf of the principal within the scope of the agent's authority and in the course of his employment. If the principal be not disclosed, the third party dealing with the agent may hold liable either the agent, or the principal when discovered; but he may not hold both principal and agent. The principal is also liable for the wrongful acts, or torts, of his agent if committed in the course of the employment.

Agent's Liability to Third Parties.—Generally, the agent of another, who is known as the principal, incurs no liability to third parties for his acts or contracts within the scope of his authority. He may, however, when acting for his principal, openly pledge his own credit, and obligate himself to the performance of a contract which otherwise would devolve on his principal. Where the agent defectively executes his power, or fails to disclose the principal, he becomes personally liable to third parties. He is also liable when he contracts expressly as agent, but without authority, or where the principal is incompetent or irresponsible.

TERMINATION OF AGENCY

•The agency relation may be terminated by agreement, as where the agency is limited to some definite object or some specified time; or by act of the parties, as where it is revoked by the principal or renounced by the agent; or by operation of law, as by death, bankruptcy, or insanity of either of the parties, by war, or by the destruction of the subject-matter of the agency. Generally, the principal has the right to revoke the agent's authority at his pleasure, but not if the agent have an interest in the subject-matter of the agency, or have been appointed for a valuable consideration paid to the principal.

COMMISSION MERCHANTS, OR FACTORS

A commission merchant, or factor, is an agent employed to sell merchandise consigned or delivered to him by or for his principal, for a compensation called a commission. A *del credere* agent is one, who, for an increased commission, guarantees the payment of the goods sold. A commission merchant has the implied power to sell the goods entrusted to him, and to receive payment therefor. He may sue for the principal's debt in his own name, or for damages arising from a breach of the contract to buy, or for any trespasses or torts committed on the goods while in his possession. He must insure the goods, or pledge them to the extent of his commission and expenses, but he may not buy nor barter them, nor has he the power to appoint substitutes. For his commissions, expenses, and for any balances due him by the principal, the factor has a lien on the goods in his possession—the right to hold the goods until such indebtedness is paid. To enforce this lien he may, after notice to his principal, sell so much of the goods as is necessary to repay his expenses and advances. The factor must exercise due diligence and act in good faith in performing his duties, and render full accounts to his principal. If he do business in his own name, without disclosing that he is acting for a principal, he becomes personally liable on his contracts with third persons.

BROKERS

A broker is a person whose business it is to negotiate sales or contracts as an agent, or to make sales and purchases for a commission. According to the subject-matter of the sale, such agents are variously called produce or grain brokers, real-estate brokers, stock brokers, insurance brokers, exchange brokers, ship brokers, and the like. The authority of a broker varies in different trades and different markets, generally being measured by the well-established usages of the trade or market. Ordinarily, he does not have possession of the property as a factor, and thus has no lien for his charges, except for his commissions upon the proceeds of a sale in his hands. A broker cannot recover his commissions if he acted as the agent of both parties to the transaction, unless

both parties were fully informed of the double agency and freely assented to it. A broker who has successfully brought about a sale cannot be deprived of the commission agreed upon by any change by the principal in the terms of the sale. Real-estate brokers become entitled to their commissions merely upon procuring a party for the principal who afterwards purchases the land from the principal as a result of such introduction. The principal generally may revoke the authority of the broker at any time. The general principles of agency as to the duties and liabilities of both principal and broker apply here. A third party, however, who buys goods from a broker in his own name and pays him the money, will be liable a second time for such amount to the principal, as all parties dealing with a broker are charged with knowledge that he has no power to bind his principal by contracts made in his own name.

INSURANCE

Introduction.—Insurance is a contract whereby, for an agreed consideration, one party undertakes to compensate the other for loss on a specified subject by specified perils. The *risk*, or peril, is the thing or event insured against; the *beneficiary* is the person named in the policy to whom the amount therein is to be paid upon the happening; the *policy* is the written or printed form to which the contract has been reduced; the *premium* is the consideration for the insurance; the *insured* is the person whose life or property interest is covered by a policy of insurance; and the *insurer* is the person who agrees to make compensation to the other. The business of insurance is now almost exclusively carried on by incorporated institutions called *insurance companies*, which may be either stock or mutual companies. Mutual companies are those in which the members are the parties insured, who pay premiums or assessments to a fund which is liable for indemnity to each member for loss according to the terms of the contract. Certain general rules apply to all forms of insurance, such as the rule requiring that the insured must have an insurable interest in the subject-matter

of the insurance, and the rule as to warranties, representations, and concealments. Some particular applications of these rules are given briefly hereinafter, according to the particular form of insurance.

LIFE INSURANCE

Nature of the Contract.—Life insurance is a contract by which the insurer, in consideration of a certain premium, either in a gross sum or periodical payments, undertakes to pay the person for whose benefit the insurance is made, a stipulated sum, or annuity equivalent, upon the death of the person whose life is insured during the period of insurance. In *endowment insurance* the contract is to pay a certain sum to the insured if he live a certain length of time, or, if he die before that time, to some other person indicated.

Policies of Life Insurance.—The policy is the final contract between the parties and supersedes all preliminary agreements. The application for insurance is in itself collateral to the contract of insurance, but by express terms it may become a part of the policy. Inasmuch as the policy is written by the insurer—the company—the law will construe its language and conditions liberally in favor of the insured and strictly against the insurer. But the written policy may not be varied or contradicted by parol to statements made by any agent prior to or contemporaneous with the delivery of the policy, unless there be fraud, accident, or mistake.

Provisions in Policies.—Life-insurance policies are substantially alike in form and conditions, at least in the United States, although they differ in phraseology, the number of conditions, and the manner of stating them. Embraced in the conditions on which the policy is forfeitable usually are fraud, misrepresentation, and concealment in the application; non-payment of premiums at the time fixed; travel or residence in certain specified regions; and death in consequence of a violation of law, while under the influence of intoxicating drink or narcotics, while in military or naval services, or by suicide. Death in violation of law generally applies only to violations of the criminal law. The clause excepting the insurer from liability where death occurs while under the

influence of intoxicating drink, opiates, or narcotics, does not extend to cases where such drink, opiate, or narcotic was taken by mistake or on the prescription of a physician. It is a universal condition of life policies that the insured shall not enter into any naval or military service, or sometimes into other hazardous employments, as in a powder mill, or at sea, without the consent of the insurer. Death by suicide is the most important of the excepted causes mentioned. In the absence of such a clause, the suicide of the insured will not avoid the policy, unless it be clearly proved to be as the result of a scheme to defraud the insurance company. Where such a clause is inserted, it is questionable whether it includes cases of death by suicide while insane; but the policies now usually add the words "sane or insane." Most policies also are made non-forfeitable for such a cause after two years from their date.

Warranties, Representations, and Concealments.—The contract of life insurance is almost universally based upon a written application wherein the party seeking the insurance states various facts relative to the age, health, occupation, and habits of the insured. In any case these answers are representations and must be substantially true, that is, true so far as they are material. But it may be expressly agreed that these answers shall be warranties, and then they must be strictly true. A common warranty is that the insured is in good health, and this means what is commonly regarded as good health—that he is free from any conscious derangement of organic functions. Any material misrepresentation will prevent a recovery on the policy whether made by design or mistake, if made of facts natural to the risk; but where the statements are not material to the risk, the misrepresentation must be by design and fraudulent. Moreover, if the insured intentionally conceals or withholds from the insurer any fact which he knows or ought to know to be material, the policy is avoided.

Premiums.—The premium is the consideration for the contract, consisting usually of a sum of money payable annually. Unless its payment be, by the express terms of the policy, a condition precedent to the risk, the policy is valid without its being paid in advance. An insurance company may waive

payment in money, and accept a promissory note for the premium. Generally, the insurance company is not bound to give notice of premium falling due. *Paid-up policies* are often issued, wherein the annual premiums are paid, or considered as paid, at one time. This is the case where the policy provides that if, after the payment of a certain number of premiums, there shall be a default in payment, the policy shall not be forfeited, but a new paid-up policy may be demanded by the insured for a certain amount proportionable to the premiums already paid.

Beneficiaries.—Every person has an insurable interest in his or her own life, and therefore, when dealing directly with the insurer and paying the premiums himself, may designate as beneficiary one who is wholly without an insurable interest in his life. But when the beneficiary contracts directly with the insurer, he must have some insurable interest in the life of the person insured at the time the policy is taken out. Such interest need not, however, continue until the death of the insured. It is difficult to define what an insurable interest in human life is. Generally, it means that the party affecting the insurance sustains such relations to the insured by reason of the ties of blood, marriage, or contract, that the former would be reasonably likely to sustain substantial damage by the death of the latter. Thus, husband and wife have an insurable interest in the life of each other, a father in the life of his child, and a sister in the life of a brother who supports her. A partner has an insurable interest in the life of his copartner, a master in the life of his servant, and a creditor in the life of his debtor.

Assignment of Policies.—Where the insured is the beneficiary it is generally held that he may assign the policy for a valuable consideration without the consent of the insurance company, unless the assignment be forbidden by statute or by the policy itself. But where the insured and the beneficiary are different persons, it is generally held that the insured cannot assign without the consent of the beneficiary. Where a policy is assigned to a creditor as security for a debt, the creditor can recover the whole amount of the insurance, but may retain only the amount of his debt.

FIRE INSURANCE

Definition and Nature.—Fire insurance is a contract by the insurer to indemnify the owner or person having an interest in the property insured for loss or damage by fire during a specified period. A policy of fire insurance may be *open* or *valued*. By the former, the amount of liability is left to be determined according to the actual loss; by the latter, a certain valuation is fixed above which the insurer is not liable for loss. In the absence of statute or charter provision, the policy may be in any form; but to avoid looseness and ambiguity statutes in some jurisdictions have prescribed the use of a *standard policy*. The same rules as to warranties, representations, and concealments, which apply in life insurance, apply also under the changed conditions to fire insurance.

Conditions in Policies.—Fire-insurance policies contain certain conditions on the breach of which the policy is avoided. A common condition is that providing it shall become void in case of any essential increase of the risk by the act of the insured. Another condition is one prohibiting the storing or keeping on the insured premises of certain hazardous articles, such as benzine, fireworks, gasoline, gunpowder, kerosene, naphtha, and the like, without written permission indorsed on the policy. This is construed not to mean the keeping of such articles in small quantities for consumption. Most policies contain restrictions on the right of the insured to make alterations and repairs without the consent of the company. An almost universal condition is one by which the policy is declared void if the premises become vacant or unoccupied. This does not mean a temporary absence from the house; but what length of time the premises may remain unoccupied depends upon the circumstances of each case. It is a reasonable condition to provide against other insurance without the consent of the insurer, otherwise the property might be insured for more than its value. If the property insured be sold, the rights of the insured against the company do not pass to the purchaser, and the policy ceases to be a protection to either vendor or vendee. The policy may usually be assigned; but only with the consent of the insurance company.

Insurable Interests.—The insured must have such a legal or equitable interest in the property covered by the policy as gives him a pecuniary interest in its preservation. This includes not only persons having the absolute ownership of property, but also mortgagors and mortgagees or holders of a mortgage as collateral security, mechanics' lien holders, and, in general, executors, trustees, bailees, agents, and others who sustain such relation to the property insured that they are, or may be, answerable in case of loss. Even judgment creditors have such an interest in some states, as in New York, but not in Pennsylvania. An insurer of property has such an interest that he may reinsure the same with another to protect himself against loss.

Adjustment of Loss.—Fire policies always contain numerous provisions as to notice and proof of loss, and these requirements must be substantially complied with. Sometimes the time within which such notice and proof must be given is fixed by the policy; if not, it must be within a reasonable time. In Pennsylvania it is held that 10 days is a reasonable time for the notice and 20 days for the proof of loss. Such notice and proof of loss must be furnished by the insured or his agent to the company or its agents authorized to receive such notices and proofs, and they must be substantially in the form prescribed by the policy. There must usually be a sworn statement setting forth the interest of the insured, the nature and value of the property destroyed, the cause of the fire if known, and certain other matters; and any fraud or false swearing therein avoids the policy. The insurance company, however, may waive its right to insist upon the production of, or defects in, the notice and proof of loss. Denial of all liability by the insurer, refusal to send blanks for proofs of loss, and failure to notify the insured promptly and specifically of defects in the proofs of loss, have been held to be waivers. If it be provided in the policy that there must be an award of arbitrators as to the amount of damages, this must be complied with before bringing suit.

Payment of Loss.—The amount to be recovered by the insured for the loss, as to both personal and real property, is determined by the actual market value of the property

destroyed. To the extent of the loss, if not beyond the amount of the policy, the party may recover without any deduction by reason of the fact that the whole property was not destroyed. Frequently, and especially where there has been only a partial destruction, the company reserves to itself the option to pay the damage, or to repair and rebuild. Where there is more than one policy on the property it is usually provided that each insurer shall be liable only for that proportion of the loss that his policy bears to the whole amount of insurance in force at the time of loss.

MARINE INSURANCE

In marine insurance the contract of the underwriter is to indemnify the insured against loss arising from certain perils or sea risks to which his ship, freight, merchandise, or other interest may be exposed during a certain voyage or a certain period of time. Marine insurance is a contract requiring the utmost good faith, and both insured and insurer are bound to disclose to each other all facts as to the risk within their knowledge. The same rules as set forth in life insurance as to warranties, representations, and concealments apply here; and any misrepresentation or concealment of material facts, whether made fraudulently or through ignorance or mistake, will avoid the policy. Furthermore, there is always an implied warranty by the insured that the ship is seaworthy. Every person who is interested in a marine adventure has an insurable interest therein, including owners, mortgagees, masters, seamen, charterers, consignees, agents, factors, and borrowers and lenders on bottomry and respondentia. The subject-matter of the insurance may be the ship itself, its cargo, the freight for carrying the goods, the advances on bottomry and respondentia bonds, the expected profits on the goods, or the commissions to be realized on the sale of the goods. Policies of marine insurance may be valued or open as in fire insurance. A peculiar doctrine of marine insurance is that of constructive loss and *abandonment*, whereby the insured may, if the loss exceed a certain proportion of the value of the property insured, **abandon** it to the underwriters, and bind them to

take it and pay as for an actual total loss. In the United States this may be done where the damage exceeds one-half the value of the property.

ACCIDENT INSURANCE

Accident insurance is a contract of indemnity against personal injury or loss of life by accident. An *accident* is generally defined as an event that happens without the foresight and expectation of the insured. Accident policies usually provide that the insurance company does not assume the risk of death caused wholly or in part by disease, but only from external, accidental, and violent means. Accident insurance is often contracted very informally, as by buying a ticket of insurance when buying a railroad ticket. But the policy may also be issued after a formal application, and the same rules as to warranties, representations, and concealments apply to statements therein as in life insurance. Ordinarily, the contributory negligence of the insured in accident insurance will not defeat a recovery; but if the policy provide that the insured must use due diligence for his safety and not voluntarily expose himself to unnecessary danger or obvious risks, he must be free from negligence and use such care as a prudent man ordinarily exercises. To constitute voluntary exposure, the accident must happen from the danger which could be reasonably anticipated from the exposure, and the danger must be unnecessary and not encountered to save oneself or others in great peril, as in case of fire or a wrecked vessel. Some accident policies limit the liability of the company to accidents which happen only in the course of the employment of the insured, which is described in the policy; but this does not exclude accidents occurring in performing acts and duties which are incidents connected with the daily life of men in any occupation. If the policy be limited to accidents happening while traveling in public or private conveyances, it will still include injuries incurred while getting on or off the railroad car, steamboat, or other vehicle of transportation. Accident policies may provide either for the payment of a fixed sum for certain permanent disabilities, or a weekly indemnity for disabilities

which are merely temporary. What is a permanent, or total disability depends largely upon the occupation and employment in which the person insured is engaged.

INDEMNITY INSURANCE

Indemnity insurance is a contract by which a person is insured against liability to other persons for claims for compensation on account of accidental personal injuries to such other persons, for which injuries the person insured is legally liable. *Employer's liability* insurance insures an employer against claims for accidental personal injuries to his employees; *elevator policies* insure against claims for injuries caused to persons by the elevator of the insured; and *boiler insurance* insures the owner of a boiler against injuries caused to employees or others from the explosion of the boiler. There are various other forms of indemnity or casualty insurance. The usual policy provides that, if suit be brought against the insured for any injury within the purview of the policy, the insurer shall defend the suit, or pay the insured the full amount of the insurance. If judgment for any such injury be recovered against the insured, this fixes the liability of the insurance company up to the amount stated in the policy. Any provision that the insured shall give notice to the company of the happening of an accident within a certain time thereafter must be strictly complied with.

FIDELITY INSURANCE

Fidelity, or surety, insurance guarantees against loss by breach of contract, and is of many different varieties varying with the circumstances, the most usual example being the guaranteeing of employers against the infidelity or dishonesty of employees. The policy is usually called a bond, in analogy with bonds given by private sureties. Formerly, such bonds were given almost exclusively by private persons, but the business is now largely in the hands of incorporated guarantee or surety companies. The rule that the contract of insurance is avoided by concealments or misrepresentations of material facts on the part of the insured applies here as in any other insurance, but the insured is not held so strictly to the duty

of disclosing all the circumstances of the risk as in life and property insurance. Unless the bond provide that the employer must exercise a certain measure of care, the surety company is not relieved from liability by reason of the fact that the loss occurred because of the want of even ordinary prudence on the part of the employer. Where the bond insures the employer against the dishonesty of an employe in one position, the insurer will not be liable if the employer change the duties of the employe without the consent of the insurer. The provision in the bond stipulating that the insured is to give written notice to the surety company, either within a certain fixed time or within a reasonable time, after the insured learns of any acts of the employe making the company liable, must be complied with. Where a loss occurs to the insured, and he presents the claim against the company, and the company pays the claim, the company is then substituted to all the rights the insured has against the defaulting employe.

CREDIT INSURANCE

Credit insurance is that which indemnifies the merchant or manufacturer wholly or in part for loss by the insolvency of the customers of such merchant or manufacturer. Usually the policies run for one year, with provision for renewal. If the insured die or retire from the business in which he was to be indemnified, the policy becomes void. It is often provided that no credit shall be included as covered by the policy, unless the debtor have a rating in one of the mercantile agencies, and in such case the insured cannot recover for a loss from such a debtor. The non-payment of debts by an insolvent debtor is the loss insured against, and an insolvent debtor is one who has made a general assignment for the benefit of all creditors, or who has been declared insolvent or a bankrupt in legal or judicial proceedings, or whose business has been sold out by the sheriff or other public officer, or against whom an execution has been returned unsatisfied upon a judgment obtained by the insured for a debt covered by the policy. Some policies provide that the insured himself shall stand a certain amount or proportion

of the initial losses before the insurance company becomes liable. The requirements of the policy regarding the manner, form, and time of sending notice, by the insured to the insurer, of the insolvency of the debtor, must be substantially complied with. The policies generally provide that final proof of losses suffered during the period covered by the policy must be presented within a certain time after the expiration of the policy. Where the insurance company pays the insured for any such losses, the claims of the insured against the debtor are thereby transferred to the company, either in whole or in such proportion as the loss of the insured has been paid by the company.

TITLE INSURANCE

Title insurance is a contract to indemnify the owner or mortgagee of real property from loss by reason of defective titles, liens, or encumbrances. The business is usually carried on by incorporated companies, called variously title companies or title and trust companies. The company has the title to the specified property examined on application of a purchaser, owner, or mortgagee, for whom an abstract of title is prepared, the correctness of which is guaranteed, whereupon a policy is issued to such person stipulating that he shall be indemnified up to a certain sum for any loss that may arise to him by reason of a defect in the title. The usual rules of insurance as to warranties, representations, and concealments apply here. The policy may not be transferred without the consent of the company, except that a policy held by the owner of a mortgage or other encumbrance may be transferred to an assignee of the interest insured, or to a purchaser at a foreclosure sale, when the property is bought in by or for the insured. Actual loss by the insured must precede compensation by the company, and the measure of damage is the sum paid to clear the property of liens or encumbrances, or the price actually paid by the insured for the property if the title prove defective.

LANDLORD AND TENANT

THE LEASE

The contract by which the relation of landlord and tenant is created is a lease, and it is governed by the general rules relating to the formation of other contracts. By this contract, express or implied, one person, called the lessor, or landlord, grants the possession of lands and tenements to another, called the lessee, or tenant, for a time agreed upon, in consideration of the payment of a compensation called rent. This relation commonly exists as to estates for years, including all estates in real property for a period fixed and definite, whether for a number of years or for a number of weeks or months. Such estates are called leaseholds. Any party competent to contract may be a lessee, and any such person, who has an estate or interest in lands capable of being leased may be a lessor. Lands and buildings are usually the subjects of lease; but wharfage, water and mining rights, and other things connected with land may be leased.

Form of a Lease.—Statutes, in most jurisdictions, require leases to be in writing, except for short terms, usually limited to three years or less. No particular form is required, nor is the lessee required to sign such writing; but it is always best to employ a well-known form, and have it signed by both parties and executed in duplicate. Although not necessary for its validity, it is better to use the technical words of leasing, such as “grant, demise, and to farm let,” or “do lease, demise, and let.” The formal parts of a lease include the *recital*, containing the date, the names of the parties, the consideration, and the description of the property; the *habendum*, stipulating the estate, the term, and the use of the demised property; and the *reddendum*, by which rent is agreed to be paid by the lessee to the lessor. The premises need not be described so particularly as in a conveyance of the fee, that is, a grant of the property absolutely, but must be described with sufficient accuracy to identify them. A lease usually does not need a seal; but, in some states, statutes require that leases for a longer period

than three, five, or seven years be under seal. In some instances, furthermore, witnesses are necessary, and the lease must be acknowledged.

COVENANTS IN THE LEASE

By the contract of lease the parties take upon themselves certain obligations called covenants. Some such obligations are considered as incident to all leases, whether expressed or not. Other covenants are expressly stated. The usual covenants, which alone, in the absence of agreement or special circumstances, can be insisted on by either party, are the covenants by the lessee to pay rent, to keep and deliver up the premises in repair, and to allow the lessor to enter and view the state of repair, and the covenant by the lessor for quiet enjoyment by the lessee.

Covenants by the Lessor.—The specific covenants by the lessor are usually for quiet enjoyment, against encumbrances, for further assurances, to repair, to renew the lease and to pay taxes and assessments. The covenant for *quiet enjoyment* is implied, particularly from the use of the words "demise and grant" in the lease; but this does not apply to trespasses by strangers. The covenant *against encumbrances* usually inserted in leases for a long term, extends to all rights, which it appears that third parties have, of, in, or to the premises at the time of leasing, by which the full enjoyment by the lessee is in any way hindered. In the absence of stipulation to the contrary, the lessor is not bound to repair, improve, or make additions, or to compensate the lessee for repairs made without his authority. The covenant by the landlord to *pay for improvements* must be distinctly stated. Furthermore, unless the landlord have covenanted to repair, it is no defense to a suit for rent that he has allowed the premises to get out of repair, even to the point of rendering them uninhabitable. The covenant to *renew* the lease must be expressly stated, and is satisfied by a single renewal. Unless otherwise stipulated, the renewal will be under the same terms as the old contract. Where the lessee has an option of a further term, he may exercise this option simply by remaining in possession after the end of the first term. When a lease is

made without any stipulations concerning taxes, the landlord is bound to *pay the taxes* upon the property. Where the lessor covenants to pay all taxes charged on the premises during the term, he is compelled to pay taxes only on the original value of the premises, and the lessee must pay taxes on such improvements of which he alone reaps the benefit.

Covenants by the Lessee.—The responsibility for the condition of the premises for the doing of certain acts with respect to them, repairing, paying taxes, and the like, may be shifted to the lessee, if this be provided for in the lease.

The *covenant to pay taxes* on the part of the tenant does not include assessments for benefits and permanent improvements. Generally, the destruction of the premises by fire does not release the tenant from this covenant to pay taxes.

The *covenant to pay rent* is implied by the leasing, but unless there be an express covenant to that effect, the lessor can recover only the reasonable value of the premises for the time they were occupied by the lessee. In leases for years the rent is due for the term whether the lessee enter the premises or not; but in leases at will, occupation must be shown. The common-law rule, followed in some states, is that the destruction of the premises by fire, flood, or the like, does not excuse the tenant from the payment of rent on an express covenant. In other states, the rule is that where a substantial part of the leased premises is destroyed, without the fault of the lessee, he is entitled to a proportionate abatement of the rent thereafter accruing, in the absence of any assumption by him of the risk of such destruction.

The *covenant to repair and rebuild* by the tenant must be distinctly expressed, if it be intended to include an obligation on the tenant to repair and rebuild in case of every loss. But the law usually implies a covenant on the part of the tenant to deliver up the premises at the end of the term in as good repair as when he received them, ordinary wear and tear and damage by accidental fire and the elements excepted.

A *covenant against nuisances* may be inserted in a lease restraining the tenant from carrying on any trade or business which becomes a nuisance. There may also be inserted provisions for the use of the premises in a certain way or in

restraint of the use. Such provisions are construed strictly against the landlord.

The *covenants not to assign, and not to sublet*, without the consent of the landlord, are frequently inserted in the lease, and, in case the tenant so assign or sublet, his interest is voidable at the option of the landlord. An assignment is a conveyance of the premises or a part thereof for the tenant's whole term; a subletting is a conveyance of the premises or a part thereof for a part of the term only. A covenant not to assign is not broken by an underletting, nor vice versa.

PAYMENT OF RENT

When, Where, and to Whom Payable.—The rent must be paid promptly at the times stated in the lease; or, if no time be stated, according to the custom of the country, or at the end of the term. Rent is not past due by law until after midnight of the day it is made payable; and if the day of payment fall on Sunday the tenant has the whole of the succeeding day in which to pay it. If the lease specify a place of payment, a tender of rent must be made at that place; but, if no place be specified, a tender on the leased premises will be sufficient to prevent forfeiture. Rent is payable to the landlord, or his agent, or his assignee. In case of the bankruptcy of the lessor, the rents accruing to him are payable to the trustee in bankruptcy. If the landlord convey his interest in the premises, or assign the rent, but no notice thereof be given to the tenant, the latter is protected in the payment of rent to the original landlord.

Landlord's Lien for Rent.—By statutes, in some jurisdictions, the landlord has a lien for rent on the chattels on the premises, generally limited to property belonging to the tenant. In some states, the landlord of farm lands has a lien on the crops raised thereon, usually restricted to the amount of rent due in the year in which the crops were grown. No such lien existed at common law, but the landlord acquired a lien on the chattels by the levy of a distress for rent.

Distress for Rent.—This summary method by which the landlord seizes and sells the tenant's property to satisfy the

rent due has been abolished in many states, although where it has been abolished there has usually been substituted for it an attachment proceeding having many of its characteristics. As to the rights and procedure of distress, the statutes of each particular jurisdiction must be consulted. Generally, whatever goods and chattels the landlord finds upon the premises, whether belonging to the tenant or a stranger, are distrainable, unless particularly exempted. The usual exceptions to this rule include fixtures, which the tenant cannot remove, things which are delivered to a person exercising a public trade to be carried or to have work or labor expended on them, goods in the custody of the law, goods in actual use, and the tenant's tools and utensils of his trade. Generally, the distress must be made on the premises; but, in some states, if the tenant fraudulently remove the goods, the landlord may follow the goods for thirty days. After the goods have been distrained, an inventory of them should be made and given to the tenant; then, after a certain number of days fixed by statute, usually five, an appraisal is made. If the tenant do not replevy the goods, after public notice, usually six days, the goods may be sold to satisfy the rent and the expenses, the overplus, if any, to be returned to the tenant.

TERMINATION OF THE RELATION

The relation of landlord and tenant may be terminated by expiration of the term, forfeiture, merger, surrender, notice to quit, abandonment by the tenant, and for various other causes. A *forfeiture* results from breach by the lessee of any covenant in the lease expressly stipulating that such a breach shall cause a forfeiture. A *merger* happens whenever the tenant, by purchase or inheritance, becomes the owner of the premises in fee. A *surrender* occurs where the tenant, expressly or by implication, yields up his interest to the owner of the premises in fee. The *eviction of the tenant*, that is, any act by or with the consent of the landlord by which the tenant is deprived of or hindered in the enjoyment of the premises, may terminate the tenancy. Where the landlord has only a life estate, the tenancy will be terminated by his

death; but where the tenancy is for a fixed period, it is not terminated by the death of either lessor or lessee. Where the lease is executed after a mortgage of the premises by the landlord, it will be terminated by the entry of the mortgagee, or a sale of the lessor's title under the mortgage.

Notice to Quit.—This is a request by the landlord to the tenant to quit the leased premises, and deliver up the possession of the same to the landlord at the time stated. It should be dated and signed by the landlord or by some person in his name and by his authority. This notice is not necessary to terminate a lease made for a certain and definite period, but is necessary for a periodical tenancy, that is, a tenancy from year to year or from month to month, or for a tenancy at will, or a tenancy at sufferance. The time and manner of service of notice are regulated by statute. Where the term is from year to year, the notice must usually be given three months before the end of the year. It must be served on the tenant or left at his residence with a member of his family. Service upon a corporation that is a tenant is made upon its officers.

Recovery of Possession.—Where the tenant, at the end of the tenancy, does not yield up possession of the premises, the landlord may enter, if he can do so without violence. If not, he may proceed by the old action of ejectment, or by a summary method that is generally provided by statute. The latter is the shorter method, and usually consists in a proceeding before a justice of the peace. After summons, upon due proof being made, and judgment for the landlord, a warrant issues to a constable to deliver possession of the premises to the lessor.

CARRIERS

KINDS OF CARRIERS

A carrier is a person or company that undertakes to carry, or makes a business of carrying, persons or goods for hire. They may be either private, or public or common, carriers. A *private carrier* is one who carries only occasionally and not as a public business or employment. Such a carrier is not bound to serve all who offer to employ him. He is

liable for negligence in transporting the goods, but is held only to the exercise of ordinary diligence. *Public or common carriers* are those whose regular business it is to carry goods from place to place for all persons who choose to employ and remunerate them, such as railroad, express, and steamship companies. They may be *carriers of passengers* or *carriers of goods*, but it is to the last-named class that the term is usually applied. To constitute one a common carrier he must have held himself out to the public as ready to carry, for hire, as a business, goods of the sort he professes to carry.

DUTIES OF COMMON CARRIERS

In General.—The law imposes upon common carriers (1) the duty to accept for transportation, without discrimination between individuals, up to the limits of their facilities, all goods of the kind they profess to carry, provided they be offered in proper condition for carriage, and reasonable charges thereon paid in advance if so demanded; and (2) the duty to carry and deliver the goods safely and with reasonable despatch according to the directions of the shipper unless prevented from so doing by act of God or the public enemy, by an act of the shipper himself, by public authority, by the inherent nature or vices of the goods carried, or by some cause stipulated against by a special contract with the shipper, just and reasonable in the eye of the law. The carrier is said to be an insurer of the goods, and is liable for any loss or damage to them, except from the foregoing causes, even though the loss or damage be caused by third parties. But the carrier may refuse to receive goods not offered at a reasonable time, and may establish any reasonable regulation as to the time of receiving goods, starting trains, packing, and the like. A common carrier, as a railroad company, whose line connects with that of another, is bound to deliver to, and to receive goods offered by, such other line, or the cars of such line carrying freight, according to the proper and usual course of business.

Facilities and Preferences.—A common carrier is bound to provide sufficient facilities and means of transportation for all freight which it should be reasonably expected will be

offered, but is not bound to provide in advance for any unusual and unexpected influx of business. He must provide safe and suitable vehicles in view of the particular kind of service he professes to perform, and must also provide suitable stational facilities, including approaches, platforms, warehouses, and the like. Even at common law, he may not unreasonably discriminate in the matter of rates, either by charging more than a reasonable rate to some, or less than a reasonable rate to others; and, by statute in many jurisdictions, discrimination in favor of or against any shipper is prohibited, either in respect to charges or facilities.

Carrier's Duty to Deliver.—Unless excused by some cause limiting his liability, a carrier is under an absolute duty to deliver the goods properly to the consignee or his duly authorized agent. What is a good delivery varies with circumstances. Express companies are generally held bound to make personal delivery. Railroads, however, are not bound, in the absence of special contract or usage, to deliver the goods personally to the consignee at his place of residence or business, but only to deliver them upon the platform or in the warehouse at the end of the transit. While the goods are in the warehouse after transit, it is generally held that the company is liable only as a warehouseman, that is, for negligence, and not as insurer of the goods; but in some jurisdictions the company is still held liable as carrier until the consignee is afforded a reasonable opportunity to take the goods away. The latter rule applies to carriers by water. *Non-delivery* by the carrier will be excused if the shipper exercise his right of *stoppage in transitu*, or if the goods be attached or seized by an officer of the law or be surrendered to one discovered to be the real owner, or when the goods are lost through any causes exempting the carrier from liability.

LIABILITIES OF COMMON CARRIERS

A common carrier guarantees the safe carriage and delivery of the property entrusted to him against all contingencies except the act of God, the public enemy, or the negligence of the shipper himself, or unless prevented by public authority,

by the inherent nature of the goods carried, or by some cause stipulated against by a special contract with the shipper. By the *act of God* is meant a natural necessity, which could not have been occasioned by the intervention of man, but proceeds from physical causes alone, such as lightning, perils of the sea, unusual floods, earthquakes, and the like. Acts of the *public enemy* include losses caused by armies of a nation at open war with a country wherein the goods are being shipped, or by any superior organized body of men existing in violation of law. Nor is the carrier liable for loss caused by the inherent nature of the goods, as the natural decay of fruits and vegetables, evaporation and fermentation of liquids, or losses caused by the vicious nature of live stock being carried. But a common carrier is still liable for loss even as to these exempted causes, if he or his servants contributed by their negligence to the injury. The carrier is also liable for delay which results from his negligence to transport and deliver the goods within a reasonable time.

Limitation of Liability.—Except where forbidden by statute, the carrier may limit his liability for loss or injury from causes over which he has no control, and not contributed to by his own fault and negligence. In New York he may so limit his liability even for losses resulting from his own negligence and that of his servants, and in Illinois and Wisconsin, as to losses caused by any negligence except gross negligence. In England and Canada, the carrier may stipulate against any loss whatever, unless caused by his gross negligence, fraud, or wilful misconduct, provided the shipper were given a fair option to choose a different contract at a reasonably higher rate. It may also be provided by contract that the carrier shall not be liable beyond a specified valuation unless the shipper, at the time of delivering the goods, set a higher value and pay an additional rate therefor. The contract limiting liability must be brought to the notice of the shipper and assented to by him; and usually this may not be done by general notices or advertisements, or by printed notices on the back of receipts or bills of lading not known to the shipper.

COMPENSATION AND LIEN OF COMMON CARRIERS

The carrier is entitled to a reasonable compensation for his services, and may demand payment in advance. The shipper is liable for freight, unless the carrier agree to look exclusively to some other party; or after delivery, the carrier may recover the amount of freight from the consignee. But freight may be collected only for the goods actually delivered, unless the delivery be prevented by the owner, or it be agreed that freight shall be payable regardless of losses by the way. The carrier also has a lien on the goods for his freight and advances on such goods, and may refuse to deliver until such charges be paid. This lien has priority over the vendor's right of stoppage *in transitu*, and the claims of the general creditors of the owner on consignee. A carrier by water also has a lien for salvage, and for customs duties advanced on imported goods.

CARRIERS OF PASSENGERS

A public carrier of passengers is not an insurer of their safety, but is bound to take great care for their protection. He must use the utmost care to provide safe, sufficient, and suitable vehicles and vessels, and to have competent servants, and must employ such care in the management of the same as a prudent man would use, to guard against all dangers which in the usual course of things might be expected to happen. The carrier is liable for any injury occurring through his negligence or that of his servants, and not contributed to by the passenger himself. But the carrier may make any reasonable regulations as to its traffic, and may refuse to receive drunken or insane persons, or one with a contagious disease, or fleeing from justice. The carrier is also liable for a passenger's baggage to the same extent as other goods transported by a common carrier, but generally only ordinary personal articles may be carried as baggage without paying extra compensation therefor. But the carrier is liable only for negligence as to baggage retained by the passenger in his own possession, and as to baggage not called for within a reasonable time after the journey's end.

STATUTES OF LIMITATIONS

The following table contains the time within which actions must be brought, in matters pertaining to contracts, in various jurisdictions:

Jurisdiction	Open Accounts and Contracts Not in Writing	Notes and Contracts in Writing	Judgments of Courts of Record	Sealed Instruments Witnessed	Real Actions
	Years	Years	Years	Years	Years
Alabama	3	6	20	10	10
Arizona	3	5	5	5	5 ¹⁷
Arkansas	3	5	10	5	7
California	2	4 ⁸	5	4	5
Colorado	6	6	10	6	6
Connecticut	6	6	10	17	15
Delaware	3	6	20	20	20
District of Columbia	3	3	12	12	
Florida	2 ¹	5	20 ¹¹	20	7 ¹⁸
Georgia	4	6	7 ¹²	20	7 ¹⁸
Idaho	4	5	6	5	5 ¹⁹
Illinois	5	10	20 ¹³	10	20 ²⁰
Indian Territory	3	5	10	10	
Indiana	6	10	20	10	20 ²¹
Iowa	5	10	20	10	10
Kansas	3	5	5	15	15 ²²
Kentucky	5 ²	15	15	15	15
Louisiana	3 ³	5	10	10	30 ²³
Maine	6	6	20	20	20
Maryland	3	3	12	12	
Massachusetts	6	6	20	20	20 ²⁴
Michigan	6	6	10	10	15 ²⁵
Minnesota	6	6	10	6	15
Mississippi	3	6	7	6	10
Missouri	5	10	10	10	10
Montana	3	8	10	8	10
Nebraska	4	5	5	5	10
Nevada	4 ⁴	6	6	6	5 ²⁶

STATUTES OF LIMITATIONS—(Continued)

Jurisdiction	Open Accounts and Contracts Not in Writing	Notes and Contracts in Writing	Judgments of Courts of Record	Sealed Instruments Witnessed	Real Actions
	Years	Years	Years	Years	Years
New Hampshire	6	6	20	20	20
New Jersey	6	6	20	16	20
New Mexico	4	6	7	6	10
New York	6	6	20	20	20
North Carolina	3	3	10	10	20 ²⁷
North Dakota	6	6	10	6	20
Ohio	6	15	26 ¹⁴	15	21
Oklahoma	3	5	5 ¹⁵	5	5
Oregon	6	6	10	10	10
Pennsylvania	6	6	20	20	21 ²⁸
Rhode Island	6	6	20	20	20
South Carolina	6	6	20	6	10
South Dakota	6	6	20 ¹³	20	20
Tennessee	6	6	10	6	7
Texas	2	4	10	4	10
Utah	4	6	8	6	7
Vermont	6	6 ⁹	8	8	15
Virginia	3 ⁵	5	20 ¹³	10	15 ²⁹
Washington	3	6	6	6	10
West Virginia	5	10	10	10	10
Wisconsin	6	6	20 ¹³	20 ¹⁶	20 ³⁰
Wyoming	8 ⁶	5	5	5	10
British Columbia	6	6	20	20	20
England	6	6	12	12	12
Manitoba	6	6	10	10	10
New Brunswick	8	6	20	20	20
Nova Scotia	6	6	20	20	
Ontario	6	6	20	20	10
Quebec	5 ⁷	5	30	30	30 ²³

¹Contracts not in writing, 3 years; open account for goods, wares, and merchandise, 2 years; for articles charged on store account, 4 years.

²Bills of exchange and promissory notes, 5 years; actions upon merchants' accounts for goods sold, 2 years from the first of January succeeding the delivery of the articles charged.

³Innkeepers' accounts, liquor retailers' accounts, wages of laborers or sailors, or for freight, 1 year.

⁴Actions upon contracts made out of the state, or cause of an action accruing out of the state, 2 years.

⁵Retail-store accounts, 2 years.

⁶All foreign claims, judgments, or contracts, contracted or incurred before the debtor became a resident of this state, 2 years.

⁷Claims for wages of commercial clerks and for board, 1 year; wages of other employes, 2 years.

⁸Contracts in writing made within the state, 4 years; made out of the state, 2 years.

⁹Notes signed in the presence of an attesting witness are not barred until 14 years after the right of action accrues.

¹⁰Execution may be issued on judgments any time within the lifetime of the parties.

¹¹Foreign judgments, 7 years.

¹²Foreign judgments, 5 years.

¹³Foreign judgments, 10 years.

¹⁴Judgments become dormant after 5 years from the date thereof, if no execution be sued out; but may be revived within 21 years thereafter by action brought. Foreign judgments, 15 years.

¹⁵Foreign judgments, 1 year.

¹⁶When the cause of action accrues without the state, or on an equitable cause of action, 10 years.

¹⁷To recover realty against a party in peaceable and adverse possession under color of title, 3 years; against such possession where the party pays taxes and has deed recorded, 5 years, or 10 years for city or village lots; where the party in possession claims by right of possession, 2 years.

¹⁸Within 20 years after his possession commenced, if the endant have not color of title.

¹⁹To recover placer mining claims, 1 year.

²⁰All real actions must be brought within 20 years after the right of action accrued, subject to the following exceptions: To recover land of which any person is possessed by actual residence thereon, having a connected title deducible of record, suit must be brought before the lapse of 7 years after the commencement of such possession; actual possession in good faith under claim and color of title, and payment of all legal taxes for 7 years, confers upon the possessor title to the extent and according to the purport of the paper title; color of title in good faith to vacant lands, and payment of taxes for 7 successive years, confers title to the extent and according to the purport of the legal title; if the person entitled to bring such action be an infant, or insane, or imprisoned, or absent from the United States, in the service of the United States or of this state, the action may be brought within 2 years after such disability is removed; the right to foreclose any mortgage or trust deed is barred after the lapse of 10 years after such right accrues.

²¹For the recovery of real property sold on execution brought by the execution debtor, his heirs or any person claiming under him by title acquired after the date of the judgment, within 10 years after the same; for the recovery of real property sold by executors or representatives, suit must be brought by a party to the judgment or persons claiming under him, within 5 years after the sale is confirmed.

²²For the recovery of real property sold on execution brought by the execution debtor, his heirs or any person claiming under him by the title acquired after the date of the judgment, within 5 years after the date of the recording of the deed made in pursuance of the sale. For the recovery of real property sold by executors, administrators, or guardians, upon an order of judgment of a court directing such sale, brought by the heirs or devisees of the deceased person, or the ward or his guardian, or any person claiming under any or either of them by title acquired after the date of the judgment or order, within 5 years after the date of the recording of the deed made in pursuance of the sale. For

the recovery of real property sold for taxes, within 2 years after the date of the recording of the tax deed.

²³Where the possessor holds in good faith, under an apparently good title, translativ of the property, his title is perfect by 10 years' possession.

²⁴For lands sold under license of probate court, and for lands fraudulently conveyed, 5 years; and 1 year after levy on execution on the lands last described.

²⁵Where the defendant claims title under an executor's, administrator's, guardian's, or sheriff's deed under the order or process of a court, 5 years; where the defendant claims title under a tax deed, 10 years.

²⁶Actions for the recovery of mining property, 2 years.

²⁷Adverse possession under known and visible boundaries with color of title for 7 years is a bar to individual rights of entry, except as to persons under disabilities.

²⁸Persons under legal disability are not barred until 30 years after the right of entry accrues.

²⁹For the recovery of lands west of the Alleghany mountains, 10 years.

³⁰Ten years after the adverse possession begins, where the occupant claims under a paper title.

Exception is made, almost universally, to the running of the statutes of limitations where the plaintiff is an infant or a person *non compos mentis*. This exception sometimes extends to persons under other disabilities, as parties imprisoned, or beyond the seas, and prior to the married women's property acts, women under the disability of coverture were almost universally excepted from the operation of the statute. Unless otherwise provided, the party must begin action within the statutory period after the removal of the disability, but in many states such time after the removal of the disability is limited as follows: Alabama, 3 years, but not more than 20 years in all; Arkansas, 3 years; Connecticut, 5 years for ejectment, 4 years for contracts under seal, and 3 years for simple contracts; Georgia, 7 years for infants; Illinois, 2 years; Indiana, 2 years; Iowa, 1 year; Kansas, 2 years for real actions, 1 year for others; Kentucky, no disability may extend the period beyond 30 years; Maryland, 6

years for specialties; New Jersey, 5 years for real actions; New Mexico, 1 year; North Carolina, 5 years for real actions; Ohio, 10 years for real actions; South Carolina, 5 years for real actions, except as to infants; Tennessee, 3 years; Virginia, real actions may not be brought after 20 years from the accruing of the action; West Virginia, 10 years for real actions; Wisconsin, 5 years; Ontario, 5 years, but all actions must be begun within 20 years.

There are further exceptions to the running of the statute where the cause of action has been fraudulently concealed from the plaintiff by the defendant. Where the defendant is absent from the jurisdiction, it is almost universally provided that the running of the statute is thereby postponed.

Generally, a new promise, in order to take a debt or a contract out of the statute of limitations, must be in writing, and signed by the party to be charged thereby or his agent thereunto authorized; but this does not alter the effect of payment of principal or interest on such debt or contract to take the same out of the statute. This is the law in Alabama, Arizona, California, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the province of British Columbia.

UNITED STATES BANKRUPTCY LAW

Extracts From the Act of July 1, 1898, as Amended by Act of February 5, 1903

SEC. 3. *Acts of Bankruptcy.*—(a) Acts of bankruptcy by a person shall consist of his having (1) conveyed, transferred, concealed, or removed any part of his property with intent to hinder, delay, or defraud his creditors, or any of them; or (2) transferred, while insolvent, any portion of his property to one or more of his creditors with intent to prefer such creditors over his other creditors; or (3) suffered or permitted, while insolvent, any creditor to obtain a preference

through legal proceedings, and not having at least five days before a sale or final disposition of any property affected by such preference vacated or discharged such preference; or (4) made a general assignment for the benefit of creditors, or, being insolvent, applied for a receiver or trustee for his property, or because of insolvency a receiver or trustee has been put in charge of his property under the laws of the state, of a territory, or of the United States.

(b) A petition may be filed against a person who is insolvent and who has committed an act of bankruptcy within 4 months after the commission of such act.

SEC. 4. *Who May Become Bankrupts.*—(a) Any person who owes debts, except a corporation, shall be entitled to the benefits of this act as a voluntary bankrupt.

(b) Any natural person, except a wage earner, or a person engaged chiefly in farming or the tillage of the soil, any unincorporated company, and any corporation engaged principally in manufacturing, trading, printing, publishing, mining, or mercantile pursuits, owing debts to the amount of \$1,000 or over, may be adjudged an involuntary bankrupt upon default or an impartial trial, and shall be subject to the provisions and entitled to the benefits of this act. Private bankers, but not national banks or banks incorporated under state or territorial laws, may be adjudged involuntary bankrupts.

The bankruptcy of a corporation shall not release its officers, directors, or stockholders, as such, from any liability under the laws of a state or territory or of the United States.

SEC. 5. *Partners.*—(a) A partnership during the continuation of the partnership business, or after its dissolution and before the final settlement thereof, may be adjudged a bankrupt.

SEC. 6. *Exemptions of Bankrupts.*—(a) This act shall not affect the allowance to bankrupts of the exemptions which are prescribed by the state laws in force at the time of the filing of the petition in the state wherein they have had their domicil for the 6 months or the greater portion thereof immediately preceding the filing of the petition.

SEC. 14. *Discharges, When Granted.*—(a) Any person may, after the expiration of 1 month and within the next 12 months subsequent to being adjudged a bankrupt, file an application for a discharge in the court of bankruptcy in which the proceedings are pending; if it shall be made to appear to the judges that the bankrupt was unavoidably prevented from filing it within such time, it may be filed within but not after the expiration of the next 6 months.

SEC. 17. *Debts Not Affected by a Discharge.*—(a) A discharge in bankruptcy shall release a bankrupt from all his provable debts, except such as (1) are due as a tax levied by the United States, the state, county, district, or municipality in which he resides; (2) are liabilities for obtaining property by false pretenses or false representations, or for wilful and malicious injuries to the person or property of another, or for alimony due or to become due, or for maintenance or support of wife or child, or for seduction of an unmarried female, or for criminal conversation; (3) have not been duly scheduled in time for proof and allowance, with the name of the creditor if known to the bankrupt, unless such creditor had notice or actual knowledge of the proceedings in bankruptcy; or (4) were created by his fraud, embezzlement, misappropriation, or defalcation while acting as an officer or in any fiduciary capacity.

SEC. 57. *Proof and Allowance of Claims of Creditors.*—(a) Proof of claims shall consist of a statement under oath, in writing, signed by a creditor setting forth the claim, the consideration therefor, and whether any, and if so, what securities are held therefor, and whether any, and if so, what payments have been made thereon, and that the sum claimed is justly owing from the bankrupt to the creditor.

(b) Whenever a claim is founded upon an instrument of writing, such instrument, unless lost or destroyed, shall be filed with the proof of claim. If such instrument is lost or destroyed, a statement of such fact and of the circumstances of such loss or destruction shall be filed under oath with the claim. After the claim is allowed or disallowed, such instrument may be withdrawn by permission of the court, upon leaving a copy thereof on file with the claim.

(c) Claims after being proved may, for the purpose of allowance, be filed with the claimants in the court where the proceedings are pending, or before the referee if the case has been referred.

(d) Claims which have been duly proved shall be allowed, upon receipt by or upon presentation to the court, unless objection to their allowance shall be made by parties in interest, or their consideration be continued for cause by the court upon its own motion.

(e) Claims of secured creditors and those who have priority may be allowed to enable such creditors to participate in the proceedings at the creditors' meetings held prior to the determination of the value of their securities or priorities, but shall be allowed for such sums only as to the court seem to be owing over and above the value of their securities or priorities.

(f) Objections to claims shall be heard and determined as soon as the convenience of the court and the best interests of the estates and the claimants will permit.

(g) The claims of creditors who have received preferences, voidable under Section 60, subdivision (b), or to whom conveyances, transfers, assignments, or encumbrances, void or voidable under Section 67, subdivision (e), have been made or given, shall not be allowed unless such creditors shall surrender such preferences, conveyances, transfers, assignments, or encumbrances.

(h) The value of securities held by secured debtors shall be determined by converting the same into money according to the terms of the agreement pursuant to which such securities were delivered to such creditors or by such creditors and the trustee, by agreement, arbitration, compromise, or litigation, as the court may direct, and the amount of such value shall be credited upon such claims, and a dividend shall be paid only on the unpaid balance.

(i) Whenever a creditor, whose claim against a bankrupt estate is secured by the individual undertaking of any person, fails to prove such claim, such person may do so in the creditor's name, and if he discharge such undertaking in whole or in part he shall be subrogated to that extent to the rights of the creditor.

(j) Debts owing to the United States, a state, a county, a district, or a municipality, as a penalty or forfeiture, shall not be allowed, except for the amount of the pecuniary loss sustained by the act, transaction, or proceeding, out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby and such interest as may have accrued thereon according to law.

(k) Claims which have been allowed may be reconsidered for cause and reallocated or rejected in whole or in part according to the equities of the case, before, but not after the estate has been closed.

(l) Whenever a claim shall have been reconsidered and rejected, in whole or in part, upon which a dividend has been paid, the trustee may recover from the creditor the amount of the dividend received upon the claim if rejected in whole or the proportional part thereof if rejected only in part.

(m) The claim of any estate which is being administered in bankruptcy against any like estate may be proved by the trustee and allowed by the court in the same manner and upon like terms as the claims of other creditors.

(n) Claims shall not be proved against a bankrupt estate subsequent to 1 year after the adjudication; or, if they are liquidated by litigation and the final judgment therein is rendered within 30 days before or after the expiration of such time, then within 60 days after the rendition of such judgment; provided, that the right of infants and insane persons without guardians, without notice of the proceedings, may continue 6 months longer.

SEC. 65. *Declaration and Payment of Dividends.*—(a) Dividends of an equal per centum shall be declared and paid on all allowed claims, except such as have priority or are secured.

(b) The first dividend shall be declared within 30 days after the adjudication, if the money of the estate in excess of the amount necessary to pay the debts which have priority and such claims as have not been, but probably will be allowed equal 5 per cent. or more of such allowed claims. Dividends subsequent to the first shall be declared upon like terms as the first and as often as the amount shall equal 10 per cent. or more, and upon closing the estate. Dividends

may be declared oftener and in smaller proportions if the judge shall so order; provided, that the first dividend shall not include more than 50 per cent. of the money of the estate in excess of the amount necessary to pay the debts which have priority and such claims as probably will be allowed; and provided further, that the final dividend shall not be declared within 3 months after the first dividend shall be declared.

INTEREST RATES

When a usurious rate of interest is contracted for, all the interest is forfeited, and the principal only may be recovered without costs, in Alabama, District of Columbia, Florida, Illinois, Iowa, Louisiana, Michigan, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Virginia, Wisconsin, and Wyoming. The contract is void as to the excess only in Georgia, Indiana, Kansas, Kentucky, Maryland, New Hampshire, Ohio, Pennsylvania, Tennessee, Vermont, and West Virginia. In other states it is held that such a rate avoids the contract as to both principal and interest, as in Arkansas, Delaware, Indian Territory, Minnesota, New York, and Oregon. In Kansas, Nebraska, Ohio, and Virginia, all payments of interest above the rate allowed are to be considered as payments on the principal sum. In Tennessee, when any contract calls for a usurious rate of interest, it is void, but the party may sue upon the original consideration for the amount legally due. In Washington, in such a case, the plaintiff may recover only the principal less the amount of interest accruing thereon, at the rate contracted for; and, if such interest have been paid, judgment shall be for the principal less twice the amount of interest paid.

Generally, where there are usury laws, the interest which has been paid in excess of the rate allowed may be recovered back by the party so paying, as in Alabama, District of Columbia, Kentucky, Louisiana, Mississippi, New Jersey, New York, Pennsylvania, Vermont, and Virginia. In Alabama, District of Columbia, Kentucky, Louisiana, New

York, and Virginia, such action must be begun within 1 year from such payment, and in Pennsylvania, within 6 months. In a few states, as Illinois and Washington, there can be no recovery of such excess voluntarily paid. In Florida, New Mexico, North Carolina, North Dakota, South Carolina, and Texas, the party paying any such excessive interest may recover twice the amount so paid, if the action be brought within 2 years, or 1 year in Florida, and 3 years in New Mexico. In New Hampshire and Wisconsin, such a party may recover three times the amount so paid, by action begun within 1 year. In Iowa, a usurious contract works a forfeiture, of 10 per cent. per annum upon the principal, to the school fund of the county in which suit is brought; and in Missouri, there is a similar forfeiture of 8 per cent. In Oregon, the principal and interest are forfeited absolutely, but judgment may be entered against the defendant for the principal sum with legal interest thereon for the benefit of the common-school fund.

The following table contains the legal rate of interest and the contract rate in various jurisdictions:

TABLE OF LEGAL RATE OF INTEREST

Jurisdiction	Legal Rate	Rate Allowed by Contract
	<i>Per Cent.</i>	<i>Per Cent.</i>
Alabama	8	8
Arizona	6	Any rate
Arkansas	6	10
California	7	Any rate
Colorado	8	Any rate
Connecticut	6	6 ¹
Delaware	6	6
District of Columbia	6	10
Florida	8	10
Georgia	7	8
Idaho	7	12
Illinois	5	7 ²
Indian Territory	6	10
Indiana	6	8
Iowa	6	8
Kansas	6	10

TABLE OF LEGAL RATE OF INTEREST—(Continued)

Jurisdiction	Legal Rate	Rate Allowed by Contract
	<i>Per Cent.</i>	<i>Per Cent.</i>
Kentucky	6	6
Louisiana	5	8
Maine	6	Any rate ³
Maryland	6	6
Massachusetts	6	Any rate ⁴
Michigan	5	7
Minnesota	6	10
Mississippi	6	10
Missouri	6	8
Montana	8	Any rate
Nebraska	7	10
Nevada	7	Any rate
New Hampshire	6	6
New Jersey	6	6
New Mexico	6	12
New York	6	6 ² , 8
North Carolina	6	6
North Dakota	7	12
Ohio	6	8
Oklahoma	7	12
Oregon	6	10
Pennsylvania	6	6 ⁶
Rhode Island	6	Any rate
South Carolina	7	8
South Dakota	7	12
Tennessee	6	6
Texas	6	10
Utah	8	Any rate
Vermont	6	6
Virginia	6	6 ²
Washington	6	12
West Virginia	6	6 ⁷
Wisconsin	6	10
Wyoming	8	12
British Columbia	5	Any rate
England	4	Any rate
Manitoba	6	Any rate ⁸
New Brunswick	5	Any rate
Nova Scotia	6	7 or 10 ⁹
Ontario	5	Any rate
Quebec	6	Any rate ⁸
Scotland	5	Any rate

¹There are no usury laws.

²Corporations are not allowed to plead usury.

³On secured loans of less than \$200, interest not exceeding 3 per cent. a month for not more than 3 months is allowed, and thereafter not exceeding 15 per cent. per annum.

⁴Interest on bonds issued by a corporation is limited to not exceeding 7 per cent. per annum. The practical effect of a law passed in 1888 limits the rate on loans for less than \$1,000 contracted after May 22, 1888, to not exceeding 18 per cent. per annum.

⁵On demand loans for over \$5,000 secured by negotiable instruments or stock pledged as collateral, a bank or an individual banker may collect whatever rate the parties agree upon in writing.

⁶Railroad and canal companies may borrow money at a greater rate of interest; and commission merchants and agents may contract with parties outside of this state for 7 per cent. interest.

⁷Incorporated companies may borrow money at a higher rate.

⁸Banks are restricted to 7 per cent.

⁹The rate by agreement may be 7 per cent. where the security is realty, or 10 per cent. where the security is personalty.

LEGAL HOLIDAYS

Legal holidays are days set apart by statute or by executive authority for fasting and prayer, or those given over to religious observance and amusements, or for political, moral, or social duties or anniversaries, or merely for popular recreation and amusement under such penalties and provisions alone as are expressed in positive legislative enactments.

In the United States, there are no established holidays of a religious character having a legal status without legislation. The days established by statutory or by executive authority, which are observed as legal holidays, are given in the list which follows. The effect of the establishment of these days as holidays in the regulation of the maturity of commercial paper is treated in the article on "Commercial Paper."

January 1. *New Year's Day*: In all the states and territories except Massachusetts and New Hampshire.

January 8. *Anniversary of the Battle of New Orleans*: In Louisiana.

January 19. *Lee's Birthday*: In Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia.

February 12. *Lincoln's Birthday*: In Connecticut, Illinois, Minnesota, New Jersey, New York, North Dakota, Pennsylvania, Washington, and Wyoming.

February 22. *Washington's Birthday*: In all the states and territories except Mississippi and New Mexico.

March 2. *Texas Independence Day*: In Texas.

April 6. *Confederate Memorial Day*: In Louisiana.

April 19. *Patriot's Day*: In Massachusetts.

April 21. *Anniversary of the Battle of San Jacinto*: In Texas.

April 26. *Confederate Memorial Day*: In Alabama, Florida, and Georgia.

May 10. *Confederate Memorial Day*: In North Carolina and South Carolina.

May, Second Friday. *Confederate Memorial Day*: In Tennessee.

May 20. *Anniversary of the Signing of the Mecklenburg Declaration of Independence*: In North Carolina.

May 30. *Decoration Day*: In all the states and territories except Alabama, Arkansas, Florida, Georgia, Idaho, Louisiana, Mississippi, New Mexico, North Carolina, South Carolina, Texas, and Virginia.

June 3. *Jefferson Davis's Birthday*: In Alabama, Florida, Georgia, and South Carolina.

July 4. *Independence Day*: In all the states and territories.

July 24. *Pioneer's Day*: In Utah.

August 16. *Bennington Battle Day*: In Vermont.

September, First Monday. *Labor Day*: In all the states and territories except Arizona, Arkansas, Louisiana, Mississippi, Nevada, New Mexico, North Dakota, Oklahoma, Vermont, and Wyoming.

September 9. *Admission Day*: In California.

October 31. *Admission Day*: In Nevada.

November 1. *All Saints' Day*: In Louisiana.

November 25. *Labor Day*: In the parish of Orleans, Louisiana.

November, Fourth Thursday. *Thanksgiving Day*. In all the states and territories. The exact day is fixed by the proclamation of the president of the United States and the governors of the states.

December 25. *Christmas Day*: In all the states and territories.

Shrove Tuesday. *Mardi Gras*: In Alabama and in the parish of Orleans, Louisiana.

Good Friday: In Alabama, Louisiana, Maryland, Minnesota, Pennsylvania, and Tennessee.

Arbor Day: In Nebraska, April 22; Utah, April 15; and in Rhode Island and Wyoming on any day appointed by the governor of the state. This is observed in several other states on various dates, but usually as a school holiday only.

General Election Day, being the Tuesday after the first Monday of November in every year when such elections are held is a holiday in Arizona, California, Florida, Idaho, Indiana, Iowa, Louisiana, Maryland, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Washington, West Virginia, Wisconsin, and Wyoming; and in Pennsylvania the *Spring Election Day*, being the third Tuesday of February, is also a holiday.

Sundays are holidays, and also any day appointed by the governor in any of the several states as a *fast day*, or a day for prayer. There are no statutory holidays in Mississippi, but by common consent the Fourth of July, Thanksgiving Day, and Christmas are observed as such. In Kansas the only legal holidays by legislative enactment are February 22, May 30, first Monday of September, and Thanksgiving Day, but by common consent New Year's Day, Fourth of July, and Christmas are also observed.

Saturday, after 12 o'clock noon, is a legal holiday throughout the year in Connecticut, District of Columbia, Florida, Maine, Maryland, Massachusetts, Michigan, New Jersey,

New York, Pennsylvania, Rhode Island, and Washington; in Louisiana and Missouri, in cities of 100,000 inhabitants and over; in Ohio and Virginia, in cities of 50,000 inhabitants and over; in Delaware, in the city of Wilmington and in Newcastle county, except St. George's Hundred, where Saturdays from June to September only are holidays; in South Carolina, in Charleston county; and in Colorado, in Denver during June, July, and August.

Holidays falling on Sunday are observed the day before in Kansas, Mississippi, and Vermont, and on the same day in Louisiana; but elsewhere in the United States, on the following Monday.

In Canada the following are legal holidays in all the provinces: New Year's Day, Good Friday, Easter Monday, Christmas Day, the birthday of the reigning sovereign, any day appointed by proclamation for a public holiday or a general fast or thanksgiving, and the day next following New Year's, Christmas, and the sovereign's birthday, when these days fall on Sunday. In Quebec, in addition to the above, the following are observed: The Epiphany, the Annunciation, the Ascension, Corpus Christi, St. Peter and St. Paul's Day, All Saints' Day, and Conception Day.

In England and Ireland the bank holidays are: Good Friday, Easter Monday, the Monday in Whitsun week, the first Monday in August, sovereign's birthday, Christmas, and the 26th of December if a week day; in Scotland, New Year's Day, Christmas (if either day fall on Sunday, then the following Monday), Good Friday, first Monday in May, first Monday in August, and the sovereign's birthday. In addition to the above, any day so proclaimed by the reigning sovereign is to be observed as a bank holiday throughout the United Kingdom, or in any part thereof.

NATURALIZATION LAWS

The conditions under and the manner in which an alien may become a citizen of the United States are prescribed by Section 2, 165-74 of the Revised Statutes of the United States.

Declaration of Intentions.—The alien must declare on oath

before a circuit or district court of the United States, or any district or supreme court of the territories, or a court of record of any of the states having common-law jurisdiction, and a seal and clerk, 2 years at least prior to his admission, that it is, *bona fide*, his intention to become a citizen of the United States, and to renounce forever all allegiance and fidelity to any foreign prince or state, and particularly to those one of which he may be at the time a citizen or subject.

Oath on Application for Admission—He must at the time of his application to be admitted declare on oath, before some one of the courts above specified, "that he will support the constitution of the United States, and that he absolutely and entirely renounces and abjures all allegiance and fidelity to every foreign prince, potentate, state, or sovereignty of which he was before a citizen or subject," which proceedings must be recorded by the clerk of the court.

Conditions for Citizenship.—If it shall appear to the satisfaction of the court to which the alien has applied that he has made a declaration to become a citizen 2 years before applying for final papers, and has resided continuously within the United States for at least 5 years, and within the state or territory where such court is at the time held 1 year at least; and that during the time "he has behaved as a man of good moral character, attached to the principles of the constitution of the United States, and well disposed to the good order and happiness of the same," he will be admitted to citizenship.

Soldiers.—Any alien of the age of 21 years and upwards who has been in the armies of the United States, and has been honorably discharged therefrom, may become a citizen on his petition, without any previous declaration of intention, provided that he has resided in the United States at least 1 year previous to his application, and is of good moral character. (It is judicially decided that residence of 1 year in a particular state is not requisite.)

Minors.—Any alien under the age of 21 years who has resided in the United States 3 years next preceding his arriving at that age, and who has continued to reside therein to the time he has made application to be admitted a citizen thereof, may, after he arrives at the age of 21 years, and after

he has resided 5 years within the United States, including the 3 years of his minority, be admitted a citizen, but he must make a declaration on oath and prove to the satisfaction of the court that for 2 years next preceeding, it has been his *bona-fide* intention to become a citizen.

Children of Naturalized Citizens.—The children of persons who have been duly naturalized, being under the age of 21 years at the time of the naturalization of their parents, shall, if dwelling in the United States, be considered as citizens thereof.

Chinese.—The naturalization of Chinamen is expressly prohibited by Section 14, Chapter 126, Laws of 1882.

Protection Abroad to Naturalized Citizens.—Section 2000 of the Revised Statutes of the United States declares that "all naturalized citizens of the United States while in foreign countries are entitled to and shall receive from this government the same protection of persons and property which is accorded to native-born citizens."

Right of Suffrage.—The right to vote comes from the state, and is a state gift. Naturalization is a federal right, and is a gift of the Union, not of any one state. In nearly one-half of the Union, aliens (who have declared intentions) vote and have the right to vote equally with naturalized or native-born citizens. In the other half, only actual citizens may vote. The federal naturalization laws apply to the whole Union alike, and provide that no alien may be naturalized until after 5 years' residence. Even after 5 years' residence and due naturalization, he is not entitled to vote unless the laws of the state confer the privilege upon him, and he may vote in several states 6 months after landing, if he has declared his intention, under United States law, to become a citizen.

PASSPORT REGULATIONS OF THE UNITED STATES

By Whom and to Whom Issued.—The secretary of state only may grant and issue passports in the United States. Communications should be addressed to the Department of State, Passport Division. A citizen temporarily in a foreign country may apply to the United States diplomatic

representative in that country; or, in his absence, to the United States consul-general; or, in the absence of both, to the United States consul. Passports are granted only to citizens of the United States; not to one who has merely declared his intention to become a citizen.

Applications by Native Citizens.—The citizens must make a written application to the secretary of state, in the form of an affidavit, attested by an officer authorized to administer oaths with his official seal, if he have one, or, if not, authenticated by the certificate of the proper officer. If the applicant sign by mark, two attesting witnesses are required. The applicant must state the date and place of his birth, his residence, and that he goes abroad for a temporary sojourn only; and he must take the oath of allegiance to the United States. The application must be accompanied by a description of the person applying, and a certificate from at least one credible witness that the applicant is the person he represents himself to be, and that the facts stated in the affidavit are true to the best of the witness's knowledge and belief. A fee of one dollar is charged for each passport, and such amount, in currency, or in postal money order payable to the disbursing clerk of the department of state, must accompany each application.

Applications by Other Citizens.—In addition to the foregoing requirements, a *naturalized citizen* must transmit his certificate of naturalization, or a duly certified copy of the court record thereof, and must state when and from what port he emigrated to this country, what ship he sailed in, where he has lived in the United States, and when and before what court he was naturalized, and that he is the identical person described in the certificate of naturalization. A *person born abroad whose father was a native of the United States*, must show that his father was born in the United States, has resided therein, and was a citizen at the time of the applicant's birth. The *wife or widow of a naturalized citizen* must transmit her husband's naturalization certificate, must state that she is the wife or widow of the person described therein, and set forth the facts of his emigration, naturalization, and residence. The *child of a naturalized citizen* claiming citizenship

through the naturalization of the father must transmit the father's naturalization certificate, must state that he or she is the son or daughter of such person, and set forth the facts of the father's emigration, naturalization, and residence.

Wife, Minor Children, and Servants.—When an applicant is an American citizen and is accompanied by his wife, minor children, or servant, it will be sufficient to state the fact, giving the respective ages of the children and the citizenship of the servant, when one passport will suffice for all. For any other person in the party a separate passport will be required. A woman's passport may include her minor children and servant under the same conditions.

Expiration of Passport.—A passport expires 2 years from the date of issuance. A new one will be issued upon a new application; and, if the applicant be a naturalized citizen, the old passport will be accepted in lieu of a naturalization certificate.

PUBLICITY ADVERTISING

Purpose.—The purpose of advertising is to sell something. The sale may be made directly through orders received from the readers of the ad, or indirectly, by creating a demand for the advertised article in the stores of the locality in which it is advertised.

Advertising is conducted through various mediums, the character of which varies with the article advertised and the class for whom it is intended.

Mail-order advertising is conducted principally through magazines or newspapers of very large circulation. At one time this class of advertising was monopolized by mediums known as "mail-order monthlies"—papers cheaply gotten up and circulated almost entirely in the rural districts. Such papers are still strong mediums for mail-order advertising, but are no longer the only ones. Papers or magazines circulating widely over thinly populated sections will always be good mediums for selling by mail, because of the absence of good stores in such territory, and on account of the

constantly increasing facilities offered by the government and by the railroads for the quick and cheap transportation of goods. Of late years, however, it has been conclusively demonstrated that city people buy by mail as readily as country people, if, by doing so, they can effect any saving in cost, or purchase articles or goods that are better than those obtainable in their immediate locality. The result of this evolution has been that magazines circulating almost entirely in cities make good mail-order mediums, provided their circulations are large.

General advertising is conducted by the manufacturer through magazines, newspapers, street cars, bill boards, etc., the advertising campaign being planned to create a demand on retailers throughout the country.

Local advertising, being intended to influence trade in the immediate locality of the advertiser, is usually conducted through the newspapers or street cars, and is often supplemented by circulars or soliciting letters sent to selected lists of names.

Selling Points.—The ad writer must always keep in view the real object of all advertising—to sell. His ad must be a salesman. Any argument, illustration, or method of display that will help to sell the advertised article may properly be included in the ad; anything that does not lead to this end must be rigorously excluded. Advertising space is very expensive, and no advertiser can afford to waste it.

A selling point of an article is any quality or attribute of the article that will make people want to buy it. For instance, you might buy ice cream because it is cooling. Then *coolness* would be a selling point. The ad writer must analyze the article he wishes to advertise, and strongly present its selling points to the public.

Writing a Good Ad.—The ad writer has not, as a rule, the opportunity to become thoroughly informed regarding the various articles he is required to present in his ads. Nor is it necessary that he should be. To interest the people, he must use the language, the expressions, and the ideas of the people. He must train himself to take an outside rather than an inside view of an advertising proposition. That is

the reason why the maker of an article or the proprietor of a store often finds difficulty in writing effective ads. He knows too much about his business to place himself in the position of an outsider. He writes ads that would appeal to him but not to the general public. The ad writer should aim to acquire a general and superficial rather than a technical knowledge of everything he is or is likely to be required to advertise.

It should always be borne in mind that the object of advertising is to sell something. Some ad writers seem to think that it affords them an opportunity to show what a nice literary style they have, or how funny they can be, or what pretty pictures they can draw. But what the advertiser wants is business. An ad may be nicely written, very amusing, or beautifully illustrated, but if it fails to sell goods it is worthless. So, to write a good ad, just tell what you have to sell and why people should buy it. Use short, strong words familiar to everybody. Then give the ad space enough so that the printer can properly "display" it. If it tells the truth about some salable article, it will surely bring results.

Analysis of Selling Points.—Suppose it is the month of June. Nothing could be more seasonable than ice-cream freezers, but perhaps there are different styles and various sizes in stock. Will it be better to advertise a cheap freezer or one more expensive? That depends on the class of people that live in the locality, the margin of profit on the different styles, or the firm's desire to push any particular make. Probably the cheapest freezer is kept in stock and sold at a small profit merely to meet competition; the firm is not anxious to push it because it fails to satisfy the customer. Then again, most people that can afford to make ice cream are able to pay for the better grade of freezer. Such people are also more likely to become good customers of the store. So, everything considered, the high-priced freezer is the best one to advertise.

The things to be considered, then, are: why is it the best freezer, and what can be said about freezers that will not only induce people to buy freezers, but to buy that particular high-priced freezer?

To find the selling points, read the maker's catalogue. This may state:

First, that it freezes cream very quickly. The paddles and gearing are so designed that the cream can be kept in constant motion while freezing, and is thus quickly chilled and smoothly frozen.

Second, it turns easily. The gears are carefully fitted, the shaft bearing is smoothly turned, and the length and shape of the handle is such as to afford a good leverage.

Third, it is built to last. All metal parts are heavily galvanized and rust-proof. The tub is made of selected wood, and is held together by electric-welded wire hoops that cannot slip down as the cheaper flat hoops will. The can is of the heaviest tin plate.

Fourth, though high-priced, it is cheap. It will outwear two low-priced freezers. Because it freezes the cream quicker it requires less ice.

We now have four good selling points. The illustration on the next page shows a single-column newspaper ad with one point displayed and the other three brought out in the body matter. This ad is designed to emphasize the quickness with which cream may be frozen in an "Arctic" freezer. Notice that the body is set to a narrow measure so as to leave plenty of white space around it to contrast with the border, headline, and firm name.

Display.—This is nothing more or less than contrast between the dark and light portions. This contrast may be effected by the use of colors of varying depth or brilliancy, as in a bill-board poster, or by properly proportioning the black, white, and gray portions of matter printed in black ink, as in a newspaper ad. The newspaper ad writer should always remember that he has to deal with three colors—black, gray, and white—and learn to distribute them effectively in the space occupied by the ad.

The white of a newspaper is not a pure white, but nearly so, and is really the only color of which he can be sure. The gray is made up of the body matter of the ad—a mass of black lines and spots, which gives a gray effect of varying depth when printed on white paper. The black is seldom a pure

Ice Cream In Ten Minutes

The new ARCTIC Freezer will do it every time. Put the cream, milk, sugar, and flavoring into the can, a little chopped ice and salt into the tub, turn the crank ten minutes, and it's done.

The ARCTIC costs a little more than some others, but think of the time, patience, and ice that it saves. Then, too, it runs easier, lasts longer, and freezes better than a cheaper machine. Get one today and keep cool.

Hard & Ware

16 Center St.

black, due to the fact that, although the ink may be black, the paper is of poor quality and the printing is done very rapidly from more or less imperfect stereotypes.

The accompanying illustration shows a good way of displaying a 4-inch, single-column ad. The black border separates it from the gray matter of the newspaper page, and becomes, as it were, a frame to the type picture it surrounds. The headline and firm name are represented by the two dark masses at the top and bottom of the ad. In order to give these prominence, a liberal amount of white is left around them. The body matter is represented by the gray mass in the central portion of the ad, and is separated from the border and displayed lines by liberal margins. This is probably the most satisfactory manner of displaying a small ad in the average newspaper, but if the page carries a great number of black ads, such a setting will not contrast with the others and the display will be ineffective. This may be overcome by using a narrow border, making the margins from two to four times as wide as would ordinarily be used. In such ads the displayed lines must be short, and but little copy can be used.

Before giving instructions to the printer as to the display of an ad, make a penciled layout of it in black, gray, and white masses, and satisfy yourself that your proposed scheme of display will be well balanced and effective. When a proof is submitted by the printer, hold it off at arm's length, and look at it through the lashes of your half-closed eyes. You will then see, not words or illustrations, but masses of black, gray, and white, and can quickly determine whether the setting is really in good display or is merely a jumble of dark and light spots that make it a specimen of typographical ineffectiveness. By carefully following this plan, you will never commit the common errors of placing too many displayed lines in an ad, of crowding your space too full of matter, or of making too many paragraph breaks in the body matter. Strive to get broad, bold effects. Do not scatter the three colors with which you are working; concentrate them. Use heavy-faced type for your displayed lines, and place them against a liberal background of white space. In a

dark-bordered ad, be sure to leave plenty of margin between the body matter and the inside of the border.

Illustrations in Newspaper Ads.—Almost any ad can be strengthened by good illustrations. A picture attracts attention. It tells more about the article advertised than words can be made to tell, and often displays selling points that could not be described in words. But all illustrations are not good. Many print well; but, being stock cuts bought from some syndicate, they are mere "eye-catchers," and do not truthfully represent the goods advertised. Others are carefully selected and fit the description; but, being poorly made, or made for paper of a better grade than is used on a newspaper, they do not print well.

It is difficult to make a satisfactory stereotype of a fine-line cut, although some excellent work is being done by leading newspapers. But to be certain that a cut will print well, it must be rather coarse and deeply etched.

Because of the limitations of the newspaper press, nothing but simple outline drawings were formerly reproduced for ads. After the plain outline drawing, and the silhouette, came the half-silhouette and half-shaded illustrations. Perhaps the best style of modern newspaper cut is the *hand stipple*. It is a pen-and-ink rendering of a photograph or wash drawing which, with a little care in stereotyping, will print well on any newspaper press. The little black dots of the drawing make clean-cut points in the engraving. It stereotypes readily, and successfully overcomes the printing difficulties incident to rapid running and poor paper. In some finely printed papers, half tones can be used for illustrating ads, but they are not so reliable as good line or stipple cuts. The coarse screen required for newspaper work obliterates most of the detail, which can be clearly brought out in a line or stipple drawing.

Displaying Illustrations in Newspaper Ads.—The effectiveness of illustrations in ads depends very largely on the manner in which they are displayed. As pointed out in a previous paragraph, a good illustration serves the double purpose of an eye-catcher and a means of displaying the selling point of the article advertised. But to properly serve the



10-Cent Collars

last just as long as more expensive ones, when sent to the ordinary laundry. We can furnish them in any of the latest models and in all sizes. 2,100 linen. Take a look at them.

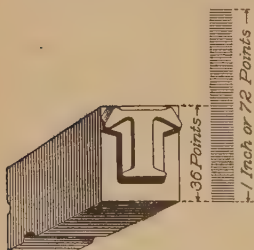
TOM THUMB

Furnisher to Men

8 PEARL STREET

purpose, it must be so placed in the ad as to stand out prominently, rather than be buried among borders and type. Except in very large ads, it is a waste of space to run the border around the cut. A cut needs white space for a contrasting background, as shown in the illustration, and should be removed as far as possible from all printed lines or masses of type that fill up the white space or tend to prevent contrast.

Sizes of Type.—The height of a type is usually expressed in points. In printing, a *point* is $\frac{1}{72}$ inch. Hence, when a type is spoken of as being 8 or 10 points high, it means that the type body is $\frac{8}{72}$ or $\frac{10}{72}$ inch high, and so on for all other sizes of type. The face of a type is not always of the same height as



the body of a type, although when referring to type measurements in "points" the height of the body is meant.

The chief thing to remember is that types vary in size and that for any given size corresponding allowance of space must be made in laying out ads. Thus, if five 18-point letters take up 1 inch of space, it is hardly to be expected that five 36-point

letters could be crowded into the same space.

Type Measurement.—The unit of measurement for the width of a column of type is usually a perfectly square piece of type metal called an *em pica*, which is exactly 12 points, or $\frac{1}{6}$ inch, in width and height; hence, 6 picas make an inch.

Names of Type.—Types are given different names by different manufacturers according as they differ from one another in appearance, such as Gothic, or Blanchard, or De Vinne, etc.—just as if we were to take a number of pieces of wood and call one walnut, another oak, another mahogany, etc. In the following sample pages are shown some of the more common type faces:

ROMAN

8-POINT, OR BREVIER

WHEN, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume, among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. *We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these, are life, liberty, and the pursuit of happiness. That, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed;*

10-POINT, OR LONG PRIMER

WHEN, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume, among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation. *We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these, are life, liberty, and the pursuit of*

30-POINT

HARDWARE
Dining rooms

24-POINT

WHAT IS THAT
Stylish overcoats

18-POINT

BARGAINS FOR ALL
Finest clothes in state

12-POINT

ASTONISHINGLY LOW PRICE
Our prices are all cut in half

POST

30-POINT

HAIR PINS
Look here

24-POINT

BIG STORES
Shoes at cost

18-POINT

WHERE TO BUY
Fancy dry goods

12-POINT

TAILOR-MADE GOWN
Our styles are up to date

30-POINT

FANCY BISCUITS**We make the best**

24-POINT

WINTER CLOTHING**For young and old**

18-POINT

A GREAT BARGAIN DAY**Great reductions everywhere**

12-POINT

BAKERS' PIE BUT NOT PRINTERS' P**Our home-made bread is fit for any king**

30-POINT

FINE LACE
Will not fade

24-POINT

MONEY TALKS
Come and visit us

18-POINT

PROMPT DELIVERY
Made-to-order gowns

12-POINT

A BARGAIN IN BICYCLES
See them before you buy one

WINDOW DRESSING

Value of Display.—The importance of displaying merchandise for sale has always been recognized; but the practice of applying the principles of artistic skill and taste to this work is a comparatively modern innovation.

The value of attractively displaying merchandise cannot be overestimated. It compares with all other forms of publicity in impressing the average individual as the concrete in any line of exemplification compares with the abstract. All other forms of publicity require the exercise of the imagination in order to obtain a fair grasp of the subject under consideration; while the proper display of an article appeals directly to the desires, and at once creates a want. It suggests and emphasizes both the lack and the desirability of possession, and sets in motion the train of consideration that leads directly up to the purchasing point. It is probably safe to say that, excepting the steady demand for the actual necessities, more merchandise is disposed of through the desire created by seeing them than through all other channels combined.

Knowledge of Goods.—In order to make a successful display, a thorough knowledge of the goods to be shown is necessary. The trimmer should be familiar with the details of the manufacture of the merchandise to be displayed, the conditions of purchase, and all the points that make the goods desirable, so as to bring them out in the display with the greatest possible strength and emphasis, and thus be able to show the wares to the very best advantage.

Skill in Display.—The trimmer should be thoroughly posted on the various ways of arranging the goods in display, know all the standard unit foldings, or formations, be familiar with the style of display generally affected, and have a fair fund of originality, that is, be able to proceed from the established units and forms to the formation of others new and novel and equally as good or better.

Backgrounds.—The first thing to be considered in planning a display is the adoption of a suitable background, or setting, which is to act as a foil to bring out and emphasize the

articles displayed in a striking and attention-compelling manner.

Backgrounds should be of a design and color to harmonize with the merchandise to be set off. They may harmonize either by blend or by contrast. Harmony by blend is, perhaps, the most pleasing, but harmony by contrast is always the most striking and by far the most emphatic and most certain of arresting attention.

In harmony by blend, the tone and general effect of the background and of the merchandise glide into an almost imperceptible union, but in such a manner as to enhance the beauty of the whole and thus attract the attention of the public by the force of the innate love of the beautiful that exists with more or less strength in all individuals. On the other hand, in harmony by contrast there is sufficient dissimilarity to make each part stand out with enhanced strength and still avoid the least suggestion of a clash. When properly managed, so that the background does not have the effect of overpowering the goods but adds materially to their strength and to the force of their appeal to public attention, this style of harmony is, probably, the safest and surest of satisfactory results.

Special Features.—Besides attention-compelling relationship between background and merchandise, it is also a common practice to resort to what may be designated, for want of a better title, as special features. These are, as a rule, original conceptions, introduced into displays, usually for the sole purpose of arresting attention and exciting curiosity, though sometimes they may merely add to the general decorative effect and thus serve a good purpose. The special feature may or may not be related to the subject of the display; that is, it may be some feature suggested by or suggestive of the use or production of the goods displayed, or it may be something foreign, or extraneous, to the subject and used solely to excite curiosity and to hold the thought of observers while they are endeavoring to figure out what it has to do with the display, anyway.

The more incomprehensible a feature is the better it is, under certain circumstances, as a special feature. The trick

is frequently resorted to both in trimming and in written advertising. As an instance, all are familiar with the geese, the boy, and the bag of corn of recent Omega-oil fame and which proved so highly successful, though most people are still in the dark as to what the illustration had to do with the oil, which was, of course, just nothing at all, outside of the conundrum which sets people to, and keeps them thinking of, the oil.

In the same way the trimmer uses some trophy, or animal or other feature in a window display of merchandise merely for the effect of attracting attention and inducing the consideration of prospective customers.

Arrangement of Goods.—The style of the stock arrangement has much to do with the effectiveness of the display. A style of arrangement that suits one style of goods will be found entirely inappropriate for certain other classes. There are two general styles of arrangement of merchandise in display that are generally recognized. They are the open, or thin trim; and the compact, or stocky, trim. The former is, as a rule, preferred, and should always be followed when displaying high-class goods of marked individuality. The latter style is generally employed when showing the cheaper grades of merchandise when the main object is to emphasize the usual reason for special pricing, that of purchases in quantity. High-grade goods should never be shown in large quantities, especially in the beginning or at the height of the season. It is sometimes permissible, however, toward the end of the season with special purchases when the desire to forcibly indicate the cause of the low price and the fact that there is quite sufficient in the lot to supply the demand likely to be produced by the concession in price.

Low-grade goods generally show better when shown stockily. Bulk has the tendency to increase the importance that more than likely, they lack intrinsically. The glamour of a big, imposing display seems to distract the attention from a too close inspection of qualities and individual meritoriousness.

General Effect.—Another feature that adds much to the effectiveness of display is the symmetry with which the

articles that go to make up the whole are arranged. By this is meant the relations of the parts of the display to each other with regard to elevation, perspective, and mutual influence. Care must be taken not to bring the articles of display into juxtaposition so that they will clash or otherwise interfere with their separate or combined influence on the public. Nor can too bold or striking inequalities in spacing or elevation be tolerated without injury to the display as a whole, even if it should not necessarily hurt the individual articles; in other words, the *general effect*, which is another important point in the make up of a successful display, must always be kept in mind. A good general effect is, probably, second only to a good special feature in attracting attention first to the display and then to the merchandise exploited.

Workmanship in Display.—Last, but not by any means the least of the decorator's part in the make up of a display, is workmanship. Nothing does more to spoil the effect and discredit an otherwise satisfactory display than a dowdy and slovenly handling of goods. This result increases in proportion to the grade of the goods shown, having the effect of cheapening and detracting from their real value and worth, and, of course, the better the goods are the more they suffer in proportion. In fact, neatness, cleverness, and good workmanship may be said to be the sum total of the qualities necessary to successful display decoration.

Cards and Tickets.—The question of show-cards and tickets, while it goes into another field of work, is an important one to the trimmer, as he must be able to get out good talking points and convincing arguments on the subjects of his trims, and, besides, he must have a knowledge of, and good judgment as to the kinds and qualities of cards and tickets that should be used in particular displays.

Some displays require merely a simple announcement of the presence of the goods in stock; others require full descriptions; and still others require to be price-ticketed. High-grade goods usually speak for themselves, and, as a rule, require few, if any, cards and no price tickets. This rule reverses gradually as we go down through the various gradations of value.

Value of Foregoing.—The foregoing points, rules, and directions, if properly observed, studied, and followed, will materially assist and benefit any one in the execution of all classes of mercantile display decoration. They will make the work easier, more comprehensive, and better understood, and the more closely they are followed the more they will tend to increase the returns obtained from displays.

SIGNS

Uses in Advertising.—Modern methods of advertising require that the merchant have a knowledge of the most attractive signs. There are two general classes of these: permanent signs, such as are placed as a fixture on the front of the store or entire building; and temporary signs, used to attract the attention of the transient buyer or to center the interest of the public on the thing advertised.

Permanent Signs.—The board sign placed directly above the entrance to the store is of greatest importance, in that it is the first place to which the eye is directed when the passerby wishes to know the name of the individual or firm conducting the business. It should, therefore, be a sign that is rich, artistic, and legible at a glance. There are many



novelties in the form of electric signs that may be made to read plainly in the daytime, and being illuminated at night they cannot fail to attract the eye. The most serviceable style of a board sign is the relief-letter sign. The letters for this sign are cut out of soft pine and rounded or beveled, as shown in the above illustration.

The style of letter usually chosen for the relief sign is the French Roman or the Antique Egyptian for the rounded letters, and Full Block, Half Block, or Egyptian, as shown respectively, in the illustration for the pyramid or beveled letters. The letters are gilded or silvered, and the background

smalted, that is, covered with black, blue, green, or brown sand, by sifting it on the sign when the paint is fresh.

The board sign may be converted into an illuminated sign by boring $\frac{1}{2}$ " holes $\frac{1}{4}$ in. apart around the entire outline of the letter, as close to the letter as possible. The sign may

REGFS

then be projected several inches from the face of the building and incandescent lights placed at the back of the letters. At night, the sign has the effect of being illuminated on the face with miniature electric lamps.

Next in importance to the board signs over the store, are the window signs. These consist of gold and silver lettering placed on the inside of the glass, and may be made most attractive by colored shading and high lighting. If lettering that is placed on the glass be well backed with two or three coats of varnish color, it will insure its remaining for many years, provided the window is cleaned with a moist chamois where letters occur and the temperature in the window is



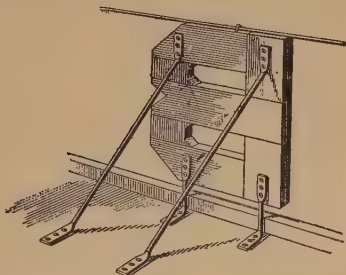
reduced during the cold weather by boring holes in the sash or using the screen ventilator.

Frosted window panels, such as shown herewith, are perhaps the most serviceable form of window sign. They form a transparency in the evening and are easily read in the

daytime, the border of the panel being of burnished gold, the letters black, and the ground white, in imitation of frosted glass. These panels are placed on the front or side glass of the front of the store, on a level with the eye of the pedestrian.

Porcelain, glass, and metal letters are used on the outside of glass and are attached with a varnish cement. Brass plates, either flat or rounded, are used on the store front in various ways. They may be fastened to the sash, to a round or square column at either side of the entrance, or they may be placed directly beneath the window, in which case they should be inclined somewhat so as to be at a right angle with the line of vision. Cast-bronze tablets are placed on square columns or on wall spaces near the entrance to the store or building. They are usually cast in statuary bronze from designs first made in wood. When a merchant, who is also the owner of a building, desires to make the sign a part of the architectural design of the building, a stone façade may be erected over the store front, on which classical styles of letters in keeping with the design of the architecture may be cut either by embossing them, that is, cutting the letters into the stone, or by raising them from the surface by cutting away the background and leaving the projected letters. When an entire building is occupied by the merchant, board signs may be placed between the windows of the floors above the store, extending across the front of the building, and they may also be placed in a vertical position between the windows if the windows are suitably arranged for this kind of a sign. All signs should in every way correspond with the one above the store front, in order that uniformity may exist throughout the entire work. The windows on each floor may be lettered in gold or silver, the latter being preferred on account of its greater value in reflecting the white light, thus making the silver letters much more readable than the gold letters for windows above the store front. A suitable style of letter should be chosen, and this style should be carried uniformly throughout the window lettering. The edge of the roof may be used for a wire sign, which should be substantially braced to resist the most violent

wind storm. Large-mesh wire on a frame is generally used, and large block letters made out of $1\frac{1}{4}$ " pine are fastened to the face of the wire by means of staples driven into the back of the letter. These letters may be painted black and edged

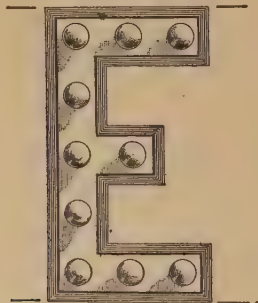


with gold leaf and the frame ornamented with gilded balls and other ornaments. Large wooden letters from 3 to 12 ft. in height, painted black, are placed on the edge of the roof and braced so as to stand independently of one another,



although it is better to run an iron rod across the top of the letters and fasten this with staples, as shown in the illustration. Round letters are projected from the face of a building by attaching to each letter several rods, the ends of which

are inserted in holes drilled in the brick or stone that are afterwards filled with lead. A Roman letter, such as shown is generally used for this purpose. Wire signs may be projected from the face of the building and made to read from opposite directions by placing ribbons and panels of zinc or sheet iron back to back and wiring the edges with small pieces of copper wire. In this case, small holes are punctured in the edge of the metal and the wire inserted and twisted so as to attach the metal ribbon or panel to the wire frame. Electric signs may be projected also, and extend from the top of the building to the water-table above the store front, the letters in this case being cut out of wood or metal and



incandescent lamps placed directly on the face of the letter as shown. The face of the letter should be painted white with a gilded edge. The back of the letter is painted black which obviates confusion in the outline of such letters as do not have the same outlines when placed back to back.

There yet remains one form of projecting sign to conclude the list of permanent signs as pertaining to the outside of the store, the crane or pole sign. Sheet-metal signs of antique design used as a transparent sign are suspended from an ornamental crane. The letters are cut out of opal glass and fitted on the inside of the sign, which is illuminated by electric

lamps. This style of sign may be made one of the most artistic on a store front. Banner signs (although not permitted in large cities) are made of cotton duck and may be projected from 10 to 15 ft. from a building by means of a pulley and ropes. These signs are suspended from a hickory or oak pole and are well stayed by means of wire guys.

Temporary Signs.—These are of the greatest profit to the merchant. No form of sign can be made that is equal to the show-card for attracting the eye. These are made in a great variety of styles, colors, and designs. In addition to being used in the window in the form of announcements, they are used in various ways in the interior of the store. The show-card, which is in a way temporary, may be made with a comparatively few strokes of the brush in the hands of an expert and artistic writer. Within the store, show-cards are used in the form of banners, framed mottoes, and designs. Price tickets are used by many merchants and are indispensable to certain classes of business. They are also subject to diversified treatment in the design.

For temporary signs to be placed outside of the store, white enameled oilcloth may be used. This material is usually stretched on a frame and the edges fastened with tacks, and when lettered with varnish color, will withstand the action of the weather. For inexpensive outside announcements, white cotton cloth is fastened on a frame. These signs are designed to announce notice of removal, unoccupancy of store, closing-out sales, etc. For the same purpose, Manila pattern paper in roll is used, and is glued together at the edges, thus making a paper sign that will entirely cover a window of any size.

Lettering on dead-wall spaces is perhaps the most expensive method of advertising on the list of temporary signs, not alone for the painting of the sign but likewise for the space, which in many instances costs several thousand dollars for a sign privilege on a space that is to be exposed to view during the building operation only. These valuable spaces, however, are limited to such thoroughfares as Broadway, New York City.

Stenciled advertising signs are used by many merchants in

cities of the third class as well as in small towns. They are used along country roads and places of interest or amusement where large numbers of people congregate. Advertising glass signs, brass plates, and framed show-cards are supplied by many manufacturers and jobbers to their retail trade, and if these signs are hung in a conspicuous position, they are a most profitable investment. Of the framed advertising signs, the show-card is fast becoming a popular and inexpensive method for the manufacturer or jobber to reach the consumer. The show-card may be manifolded by modern process to closely imitate a hand-painted card. In many cases, they are finished so as not to require a frame, thus greatly reducing their expense. Few merchants realize the value of placing their advertising near the goods. The buyer is often influenced to purchase certain brands of goods on the assurance of the manufacturer that his goods are of superior quality, at the same time inviting the consumer to give his goods a trial. Again, the buyer enters the store prepared to make up his order and an attractive illuminated show-card reminds him of his intention to add that particular article to his list; thus, an inexpensive but artistically prepared show-card stimulates trade and is worth to the manufacturer many times its cost.

It may be well also at this point to put forth an argument in favor of rich and elaborate permanent signs. A mistake is often made by the merchant in awarding his sign contract to an inferior or unskilled workman because he may be the lowest bidder. The expense of the sign display should not be considered too closely, otherwise it may cause the sign painter to study economy in materials that will show its effects later on. Only the best materials should be used in all cases for sign work. On this point some merchants are certainly unwise. They will not hesitate to spend perhaps \$1,000 for an advertisement in a periodical for a single issue and \$200 or \$300 for a permanent sign display designed to make the place of business attractive and serve as a twofold advertisement: First, of the name of the firm and the goods he sells; and, second, in making the sign display so attractive and original in character as to make it mark the merchant's

locality. In fact, many people rely on conspicuous signs to find their way from place to place and in busy and unfamiliar thoroughfares. The merchant should also consider in his sign display that signs are fixtures that are to last many years and are to be read by a great number of people. The successful merchant does consider this important point, for it is true that the great majority of merchants show in their sign display a half-hearted or unintelligent interest, while the fixtures or elaborate fittings and decoration within the store are given careful study and show artistic skill. If the merchant is ignorant in regard to the various kinds of artistic signs, there are means at hand at the present day whereby he may be able to intelligently order his sign display and successfully use the spare time of his salesmen in making show-cards and announcements that will stimulate trade. He can make the show window and interior of the store a means of attracting the eye of a customer, and by the use of convincing points on these announcements, greatly increase his trade.

MEMORANDA

MEMORANDA

MEMORANDA

This image shows a blank, aged, cream-colored page, likely an endpaper or flyleaf from an old book. The paper has a slightly textured appearance with some minor discoloration and small dark spots, possibly due to age or handling. Faint horizontal ruling lines are visible across the page, suggesting it was once part of a lined notebook or a ledger. There is a small, faint smudge or mark near the center of the page. The overall tone is warm and vintage.

Promotion Advancement in Salary and Business Success

**Secured
Through the**

**Commercial, Stenographic,
Bookkeeping and Business Forms,
Banking and Banking Law,
Commercial Law, Advertising,
Window Trimming,
and Show-Card Writing**

COURSES OF INSTRUCTION

OF THE

**International
Correspondence Schools**

**International Textbook
Company, Proprietors**

SCRANTON, PA., U. S. A.

SEE FOLLOWING PAGES

Superintendent at \$1,800 a Year

I am pleased indeed to bear testimony to the merits of your instruction. When I enrolled I was working in an ordinary position—earning only \$9 a week. Your instruction enabled me to advance from time to time until I secured my present position with Geo. P. Ide & Co., of Mechanicsville, at a salary of \$1,800 a year.

I think if I had not taken my Course with you I would have been working today for \$10 or \$12 a week. I think I have good reason to feel that your instruction is all right, and I expect to have two of my employes enroll with you. I believe your system of instruction will enable any one to change his occupation and increase his salary.

The Bound Volumes furnished with my Course were the means of saving me a great deal of time.

FRED W. AGER,
Mechanicsville, N. Y.

BECAME STENOGRAPHER THROUGH THE I. C. S.

MISS MACIE JOHNSON, Seymour, Ind., at the time of enrolling in the I. C. S. held the position of cashier in a clothing store. Through studying the I. C. S. Stenographic Course she was able to take a position as stenographer, which she has held for 3 years.

LABORER BECOMES STENOGRAPHER

HENRY H. HASSLER, West Point, N. Y., was working hard at common labor when he enrolled for the I. C. S. Complete Stenographic Course. About a year after beginning the study, Mr. Hassler was asked by his employer if he would like to try a position in the office. This was the first practical result of studying. Mr. Hassler is making a success of his new work.

ADDED \$30 A MONTH TO HIS SALARY

F. HASEMAN, 327 Grand St., Danville, Pa., enrolled for the I. C. S. Complete Commercial Course while working as a shipping clerk. In less than a year he was given full charge of a set of books for a large company, and earns \$30 a month more than when he was a shipping clerk.

NEWSBOY BECOMES COURT REPORTER

FRANK D. ELLIS, Boonville, Miss., enrolled for the I. C. S. Complete Commercial Course while a newsboy. Shortly after completing the Course he was appointed assistant to the official court reporter in his district, and was earning \$20 a week. Mr. Ellis has advanced since this, until recently he transcribed one court record, the fees for which were \$398.50.

EARNS \$85 A MONTH AS STENOGRAPHER

MISS N. E. PARKER, 80 Talbot St., Memphis, Tenn., knew absolutely nothing of shorthand when she enrolled in the I. C. S. Complete Stenographic Course. After studying a short time she was able to take a position as stenographer, after which her advancement was rapid. She now is head stenographer for the Ely-Luckett-Cannon Company, earning \$85 a month. At the time of her enrolment her salary was \$35 a month.

EARNS \$150 A MONTH

THOMAS F. CAHILL, 315 Masonic St., Cripple Creek, Colo., at the time of enrolling in the I. C. S., was an ore sorter. He now is bookkeeper and stenographer for a mining company, earning \$150 a month.

Assistant Cashier of Bank

It affords me much pleasure to say a few words in behalf of the I. C. S. Your system is everything you claim it to be and it is the means of placing a thorough, practical education within the reach of all who are willing to study. I have found it so, and if those desiring to gain a practical education while remaining at home will only take a Course in the International Correspondence Schools, success will crown their efforts.

I left country school when I was about 16 years old and went to normal school, where I had just taken up the scientific course when misfortune forced me to leave. I thought my chances for acquiring further education were ended when, like a ray of sunshine bursting from behind a dark cloud, came a letter inviting me to enroll with the I. C. S. I did so at once, with the result that I have advanced from an office girl earning \$2.50 a week to assistant cashier of this bank; and I secured my new position before I completed the Course.

REGINA PETERSON,
Assistant Cashier, State Bank of Home City,
Home City, Kans.

SALARY \$1,000 A YEAR

C. O. HUBER, 205 West Fifth Ave., Pine Bluff, Ark., by studying bookkeeping in the I. C. S., has had his salary advanced from \$40 a month to \$1,000 a year. He has charge of the books of a wholesale flour house.

SALARY INCREASED \$160 A MONTH

J. H. LANE, Bessmay, Tex., made \$50 a month as a lumber sorter before he enrolled in the I. C. S. Thirty days after beginning to study he received an increase in salary. Now he is shipping clerk for the largest mill owned by the Kirby Lumber Company. His salary is \$160 a month.

BECAME A BOOKKEEPER

R. A. MURRANT, 192 Morse St., Toronto, Can., was a clerk in a general merchandise store when he enrolled in the I. C. S. From the knowledge gained from his Course he secured the position of head bookkeeper, with salary increased 100 per cent. From this position Mr. Murrant started a business school, which he conducts and owns.

BOOKKEEPER AND ACCOUNTANT EARNING \$150 A MONTH

C. S. GIVEN, Nashville, Tenn., by means of his Course in the I. C. S., is now bookkeeper and accountant for the Life and Casualty Insurance Company of Tennessee, earning \$150 a month, which is \$50 a month more than he earned at the time of enrolling, when he was a clerk.

QUICK ADVANCEMENT

THOMAS W. KOCH, 274 Goodrich Ave., St. Paul, Minn., while earning \$25 a month as clerk, took the I. C. S. Complete Stenographic Course. In 3 months he was able to accept a position as stenographer at \$45 a month. He kept on studying and practicing and in 10 months from the time of enrolling was receiving a salary of \$60 a month.

SOON SECURED A POSITION

J. WALTER LANFORD, Box 129, Greenville, S. C., in just 5 months of spare-time study under the I. C. S. could take dictation at the rate of one hundred words a minute. He then secured a position with the Home Fund Life Insurance Company. After completing the bookkeeping part of his Course he went with the American Cigar Company at an increased salary.

CLOTHING-STORE CLERK BECOMES STENOGRAPHER

LEON R. FRIDIRICI, 770 S. Broad St., Philadelphia, Pa., was clerk in a clothing store when he enrolled for the I. C. S. Stenographic Course. He now is stenographer for the Philadelphia and Reading Railroad Company and earns nearly twice as much as when he enrolled.

He Prepared and His Opportunity Came

If one knows how to read and write and desires to study, he can learn quickly and easily by your method. My position when I enrolled for the Bookkeeping and Business Forms Course was that of an office boy in a large real-estate concern. I studied in my leisure hours and advanced rapidly. After a while the bookkeeper at our office left and I took his place, keeping the books as accurately as he did. The firm would not give me as great an increase as I wanted, so I secured my present position where I earn \$15 a week as against the \$4.50 a week I was earning when I enrolled. I have been in this place 2 months and my employers are well satisfied. I met my old employers the other day; they offered considerable inducements to get me back, but I refused.

SAMUEL BLOOM,
79 Leonard St., Brooklyn, N. Y.

FARMER BECOMES BOOKKEEPER

REUBEN TRIMMER, 2514 Evanston Ave., Chicago, Ill., was working on a farm when he enrolled with the I. C. S. He is now assistant bookkeeper for the A. S. Klein Company, Chicago.

GIRL BECOMES BOOKKEEPER

LOUISA HERMANN, Eureka, Cal., was doing housework for a living when she enrolled in the I. C. S. Complete Commercial Course. She now holds a good position as bookkeeper.

OFFICE BOY BECOMES BOOKKEEPER

HERMAN MOSKOWITZ, 1574 Lexington Ave., New York City, while working as an office boy, took the I. C. S. Course in Bookkeeping. He is now keeping books and earning a good income.

DOUBLED HIS SALARY

MAURICE LAMY, Crawford Bldg., Topeka, Kans., by studying in the I. C. S., has doubled his salary and placed himself in a good position for further advancement. He is employed by the A. B. Whiting Paint and Glass Company.

A SUCCESSFUL ADVERTISER

WM. L. WRIGHT, Salem, Ohio, enrolled for the I. C. S. Advertising Course when 21 years of age while employed as a printer. He received his Diploma, February, 1906, and 2 months later the Students' Aid Department secured for him the position of advertising manager for the Silver Manufacturing Company, a concern rated at from \$200,000 to \$300,000.

EARNS \$25 A WEEK

HAROLD F. BIDDLE, Ashland, Ohio, was a printer, earning \$20 a week. He studied the I. C. S. Advertising Course and, before half way through, began writing ads for prominent business people. Now he gives all his time to advertising work and earns about \$25 a week.

TOOK THREE OTHERS: OURS THE BEST

E. A. BURBANK, Berlin, N. H., in a letter to the Schools, says he studied three advertising courses before taking the I. C. S. Course. Mr. Burbank considers the I. C. S. Course greatly superior to the other courses. He gives the I. C. S. Course credit for his success in increasing his business, by means of advertisements, from \$30,000 a year to \$50,000 a year.

EARNED \$200 FROM ONE AD

THOMAS BATES, 80 Fuller St., Toronto, Can., secured from the first lesson of his I. C. S. Course in Advertising an idea in regard to ad writing that he used and that earned for him \$200 in a few days.

Earns From \$30 to \$40 a Week

Before I began my Course with the International Correspondence Schools I knew no more about practical advertising than the ordinary newspaper or magazine reader. The subject attracted me by its great growth in the last few years and the clever ideas that have been developed from time to time. I found the instruction given in your Course stimulating to the ideas and very practical. I am willing to state here, as an evidence of the material benefit I derived from the Course, that I am now earning from \$30 to \$40 a week as an independent ad writer as against \$15 or \$20 a week when I took up the Course less than a year ago; I was then a canvasser.

Your instruction showed me how to get and how to do business. It is a wonderful system, as thorough as it is efficient. I would be pleased to answer any inquiries as to particulars. Gratefully yours,

J. A. JACKSON,
1 Linden St., Boston, Mass.

IN BUSINESS FOR HIMSELF

H. V. ARNAU, Douglas, Ga., was working as a bicycle repairer, at \$15 a week, when he enrolled in the I. C. S. Advertising Course. He devoted his leisure time to study and soon got a position as advertising manager of a newspaper, at a salary of \$20 a week. Four weeks later his salary was increased to \$25 a week. Soon Mr. Arnau began doing business for himself. He earns more than \$30 a week.

STENOGRAPHER BECOMES AD WRITER

WARD E. BUMP, Elkhart, Ind., was a stenographer before enrolling in the I. C. S. Advertising Course. His salary has been doubled since then; and from one advertisement alone, Mr. Bump made enough to pay for the entire Course.

BECAME ADVERTISING MANAGER

J. E. SIMPSON, Manager, Ninth and K Streets, Sacramento, Cal., previous to taking the I. C. S. Advertising Course, was in the drug business. He studied and as a result is now manager of the Hale Brothers Advertising Company, which is one of the most responsible of its kind in the city.

MONEY FOR SPARE-TIME WORK

Miss P. G. SMITH, South Swansea, Miss., had nothing to do but housework when she enrolled for the I. C. S. Advertising Course. The knowledge gained from the Course has enabled her to do advertising work in spare hours. She earns considerable money in this way.

SALARY INCREASED 500 PER CENT.

JAMES A. REID, Petosky, Mich., by the study of the I. C. S. Advertising Course, rose from the position of baker's apprentice to that of advertising manager for the Fochtman's Furniture Company. To do this it took him only 12 months. His salary has been increased 500 per cent.

NOW EARNS \$145 A MONTH

CHARLES M. MILLER, 877 Mississippi Ave., Memphis, Tenn., took up the I. C. S. Advertising Course while working as a bookkeeper. In 8 months he completed the Course and was about to open a general advertising business when his employers increased his salary to \$100 a month and gave him the privilege of doing whatever advertising work he cared to do outside of his regular work. This extra work nets Mr. Miller about \$45 a month, making his total earnings \$145 a month.

\$1,300 a Year

The construction of units and the proper ideas of the arrangement of display are quickly and easily mastered by your method. The training received as a result of finishing your Window Trimming and Mercantile Decoration Course has enabled me to leave my old position at Tuscola and to come here to Danville with the People's Bargain Store at a salary of \$1,300 a year.

The way I look at it is that it would have taken years of hard work and observation to get what your Course gave me in a few months. I am self-reliant now, and can go ahead, knowing that I am doing the work as it should be done.

JAMES H. MCGEE,
209 West Harrison St.,
Danville, Ill.

SELLS ADVERTISING SUGGESTIONS

SPENCER BOMAR, 1131 E Street, Washington, D. C., a student of the I. C. S. Advertising Course, successfully places advertising-sketch suggestions with the Postum Cereal Company, Royal Baking Powder Company, John B. Rogers & Company, the Southern Pacific Railway, and others at fair prices.

WINDOW TRIMMER BECOMES ADVERTISER AT \$30 A WEEK

C. W. BERGER, with Dinet, Nachbour Co., Joliet, Ill., knew nothing of advertising when he enrolled in the I. C. S. He was employed as a window trimmer. In his new work he earns \$30 a week.

ADVERTISING MANAGER OF A DEPARTMENT STORE

S. TYROLER, 369 North Washington St., Indianapolis, Ind., at the age of 38, decided to take up the I. C. S. Advertising Course. When he enrolled he was a window trimmer. Now he is advertising manager and window trimmer, earning \$30 a week.

EARNS \$1,600 A YEAR

GEORGE E. DEMING, Marlinton, W. Va., in a letter to the I. C. S. writes the following: "I thank you for this opportunity of speaking a word about your methods. The Course in Advertising has helped me wonderfully in knowing what appeals to the buying public and what will attract them. I was earning \$50 a month at the time I enrolled; am now receiving \$1,600 a year."

WM. G. FITZCHARLES, ADVERTISEMENT WRITER

WM. G. FITZCHARLES, 66 North Clinton Ave., Trenton, N. J., says the I. C. S. Advertising Course is a big dividend payer. When he was about half way through the Course he took charge of the advertising for one of the leading dry-goods stores in Trenton at an increase in annual salary nearly three times greater than the price of the Course. He now is in business for himself.

SUCCESS IN SIX WEEKS

J. D. MACPHERSON, 48½ Wall St., Trenton, N. J., 6 weeks after enrolling in the I. C. S. Advertising Course, started an ad-writing business of his own. He completed the Course in 3 months. He is now writing newspaper ads, magazine ads, booklets, etc., for many lines of business and earns sometimes as high as \$25 a day.

\$400 FOR AN AD PLAN

R. F. ADAMS, Huntington, W. Va., won a big prize as a direct result of the knowledge gained from the I. C. S. Advertising Course. The prize was \$400, awarded by Arbuckle Brothers for an advertising selling plan.

SALARY INCREASED 25 PER CENT.

C. C. BARNETT, Independence, Kans., was clerking in a dry-goods store when he enrolled for the Window Trimming and Mercantile Decoration Course. What he learned from the Course has enabled him to rise to the position of head trimmer for a large department store. His salary has been increased 25 per cent.

DISPLAYS MUCH ADMIRER

SETH WILTON, Stockton, Cal., enrolled in the I. C. S. Window Trimming and Show-Card Writing Course while employed as a clerk in a small country store. He went to the city and by showing specimens and photographs of his work soon secured a good position as window trimmer. His displays are much admired and he has had offers of positions from several stores.

SALARY ADVANCED 50 PER CENT.

R. H. BROWN, care Whitman Adams Co., Augusta, Me., enrolled in the Window Trimming and Mercantile Decoration Course while clerking in a dry-goods store. He is now window trimmer for the Whitman Adams Company at a salary 50 per cent. greater than he received when enrolling.

MAKES \$25 A WEEK

J. E. GOLDEN, 312 Butler St., Dunmore, Pa., enrolled in the I. C. S. Show-Card Writing Course while a clothing salesman at \$15 a week. In 8 months, Mr. Golden became so expert that he earns \$25 a week writing show-cards.

SCHOOLBOY TO CARD WRITER

J. C. SHORTESS, 134 Lower Market St., Milton, Pa., was compelled to leave school because of poor health. He enrolled in the I. C. S. Show-Card Writing Course and soon began to write cards for local merchants. Before he was half through the Course his earnings from it more than paid for it. He now has a fine line of work built up that brings him a good income.

WINDOW TRIMMER AND SHOW-CARD WRITER

DAVID I. BERNSTEIN, 268 Bowery, New York, N. Y., knew nothing whatever of show-card writing or lettering work when he enrolled in the I. C. S. He is now employed as a window trimmer and show-card writer at \$25 a week.

SALARY INCREASED 75 PER CENT.

CHARLES K. SNELL, 522 Penn St., Reading, Pa., enrolled in the Show-Card Writing Course while a salesman. Now he is a card writer, earning 75 per cent. more than he earned while a salesman.

EARNED \$1 AN HOUR

FRANK R. THOMPSON, 404 S. Market St., Shamokin, Pa., since studying the I. C. S. Show-Card Writing Course has advanced his salary 66 per cent. On one job he received \$5.40 for four and one-half hours work. He often earns as much as \$5 a day.

IN BUSINESS FOR HIMSELF

FRANK S. SMITH, 421 Lackawanna Ave., Scranton, Pa., enrolled in the Show-Card Writing Course while employed in a machine shop at \$15 a week. Now he has a studio of his own and does a business of over \$200 a month. His show-cards and novelty signs are popular.

EARNs \$1,200 A YEAR

SAMUEL HAWKINS, Pullman, Wash., was holding a position as shoe salesman when he enrolled in the I. C. S. Show-Card Writing Course. He had never written a show-card. In spare moments, outside of business hours, he studied the Course and was able to do practical work, placing it before the public. In just one year's time he advanced to the position of card writer for the Burgan-Emerson Co., with a salary of \$1,200 a year.

SALARY INCREASED \$40 A MONTH

ALBIN ANDERSON, Blackfoot, Idaho, 7 months after starting to study, was offered a position as trimmer and show-card writer. He accepted the offer and has been successful, until now his salary is \$90 a month. When he enrolled he was earning \$50 a month.

\$30 A WEEK AS A DECORATOR

F. W. TROTTER, Monticello, Ill., as a result of studying the Window Trimming and Mercantile Decoration Course has advanced from the position of stock keeper in a drug store to that of decorator. His salary is now \$30 a week.

SIMPLE, COMPREHENSIVE, EXCELLENT

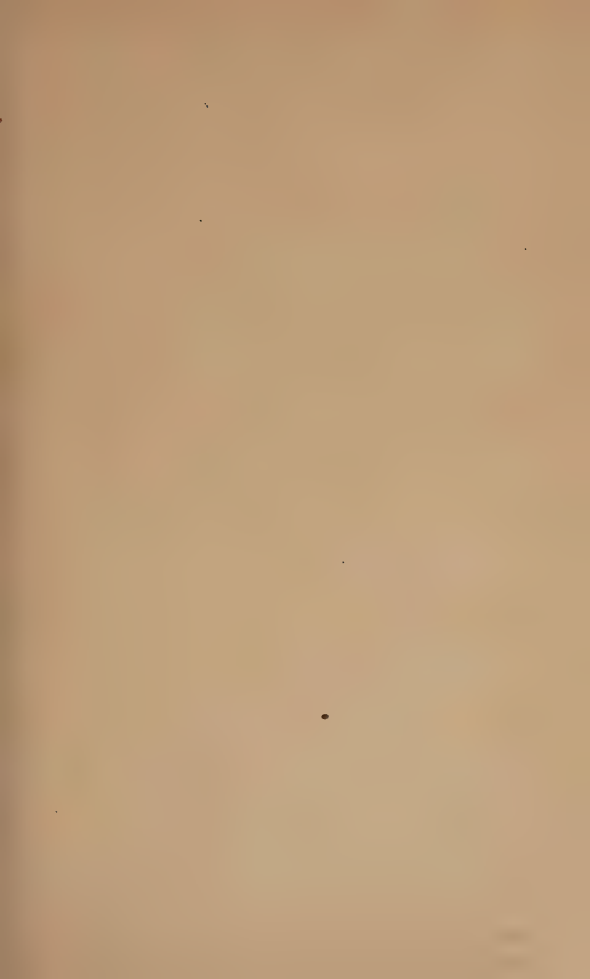
W. C. FAIRES, Chauncey, Ill., a student of the I. C. S. Commercial Law Course, says the simplicity, comprehensiveness, and general excellence of the Course is unequaled—that he considers it superior to similar instruction in any other school.

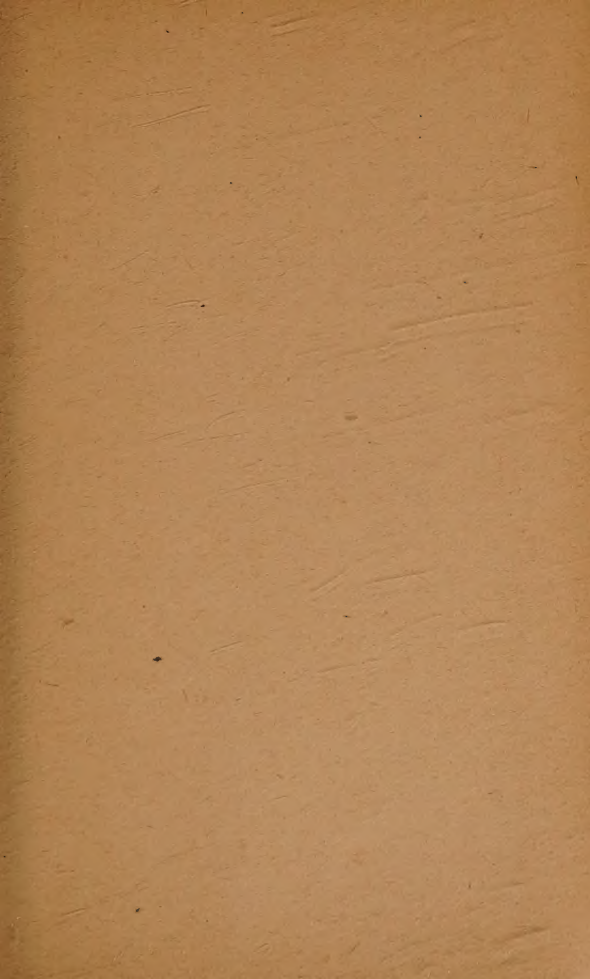
PRACTICAL COMMERCIAL LAW

JAMES A. BEAVER, former Governor of Pennsylvania, now a Judge of the Superior Court, says regarding the Commercial Law Volumes of the I. C. S.: "I have been struck with the admirable arrangements of the subjects touched upon in this series of volumes and the practical manner in which they are treated. This series of books, in the hands of a business man, will not only acquaint him with the general principles of the law involved in ordinary business, but if he becomes familiarly acquainted with them, he would be able to avoid litigation; or, if driven to it, could intelligently consult counsel, communicating the facts in a way that would enable the professional man to give such advice as he needed, and would enable him to understand the advice. If the ordinary laymen were enabled to do this in an intelligent way, much unprofitable and burdensome litigation could be avoided."

BANKING COURSE UP TO DATE AND COMPREHENSIVE

FRED W. HYDE, Jamestown, N. Y., cashier of the National Chautauqua County Bank, says the I. C. S. Banking and Banking Law Course exactly meets the requirements of ambitious men that want to fit themselves for higher positions in the banking profession. He has carefully examined the Course and finds it up to date, comprehensive, and thorough.











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